



Reprinted
February 13, 2007

HOUSE BILL No. 1007

DIGEST OF HB 1007 (Updated February 12, 2007 7:15 pm - DI 92)

Citations Affected: IC 4-13; IC 6-1.1; IC 6-3.5; IC 8-14; IC 8-16; IC 8-22; IC 12-19; IC 12-29; IC 13-18; IC 14-27; IC 16-22; IC 16-23; IC 36-1; IC 36-3; IC 36-5; IC 36-6; IC 36-7; IC 36-8; IC 36-9; IC 36-10; noncode.

Synopsis: Transfers authority to contract for certain services related to the administration of the property tax laws from the townships to the county. Requires a county assessor in a county that does not contain a consolidated city to verify the accuracy and completeness of a real estate sales disclosure form before the form is filed with the county auditor. Establishes a local government capital project property tax control board in each county for the purpose of approving proposed bond issues and lease rental agreements involving a political subdivision other than a school corporation. Permits a political subdivision to transfer money from one fund to another and use the money for the purposes of the fund to which the money is transferred. Eliminates the authority of a political subdivision other than a school corporation to bank unused property tax levy authority under the statutory maximum permissible levy limitations. Permits a county to impose an additional 1% county adjusted gross income tax rate or a county option income tax rate on individuals and corporations to provide property tax relief and additional revenue for the taxing units
(Continued next page)

Effective: Upon passage; March 1, 2007 (retroactive); July 1, 2007; January 1, 2008.

Kuzman, Bauer

January 17, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

January 30, 2007, reassigned to Committee on Ways and Means.

February 7, 2007, amended, reported — Do Pass.

February 12, 2007, read second time, amended, ordered engrossed.

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in the county. Permits the county in which an individual has the individual's principal place of employment or business to retain a portion of the tax. Requires the revenue that is not used for property tax relief to be used for public safety expenditures. Eliminates the authority of a city, town, or county to use economic development income taxes for purposes other than the purposes expressly stated in the law. Freezes the amount of a county's obligation to provide funding for child services at an amount equal to the lesser of the county's contribution for 2005 or 2007. Requires the department of child services to provide any additional funding necessary to pay the costs of child services. Requires the budget agency to reimburse a county for child services expenditures in 2006 and 2007 that exceeded the county's contribution for child services in 2005. Permits a taxing unit to impose a local judicial mandate levy to pay capital, financing, and operating costs incurred to comply with a court order. Makes related changes. Repeals provisions requiring a county to obtain loans or issue bonds to cover shortfalls in the amount of money available to provide child services. Specifies that for assessment dates in 2007 and 2008, the statewide agricultural land base rate value is \$880 dollars per acre.

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February 13, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1007

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-13-2-20, AS AMENDED BY P.L.160-2006,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008]: Sec. 20. (a) Except as otherwise provided in this
4 section, IC 12-17-19-19, **IC 12-19-7-35**, or IC 12-8-10-7, payment for
5 any services, supplies, materials, or equipment shall not be paid from
6 any fund or state money in advance of receipt of such services,
7 supplies, materials, or equipment by the state.
8 (b) With the prior approval of the budget agency, payment may be
9 made in advance for any of the following:
10 (1) War surplus property.
11 (2) Property purchased or leased from the United States
12 government or its agencies.
13 (3) Dues and subscriptions.
14 (4) License fees.
15 (5) Insurance premiums.
16 (6) Utility connection charges.
17 (7) Federal grant programs where advance funding is not

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prohibited and, except as provided in subsection (i), the contracting party posts sufficient security to cover the amount advanced.

(8) Grants of state funds authorized by statute.

(9) Employee expense vouchers.

(10) Beneficiary payments to the administrator of a program of self-insurance.

(11) Services, supplies, materials, or equipment to be received from an agency or from a body corporate and politic.

(12) Expenses for the operation of offices that represent the state under contracts with the Indiana economic development corporation and that are located outside Indiana.

(13) Services, supplies, materials, or equipment to be used for more than one (1) year under a discounted contractual arrangement funded through a designated leasing entity.

(14) Maintenance of equipment and maintenance of software if there are appropriate contractual safeguards for refunds as determined by the budget agency.

(15) Exhibits, artifacts, specimens, or other unique items of cultural or historical value or interest purchased by the state museum.

(c) Any state agency and any state college or university supported in whole or in part by state funds may make advance payments to its employees for duly accountable expenses exceeding ten dollars (\$10) incurred through travel approved by the employee's respective agency director in the case of a state agency and by a duly authorized person in the case of any such state college or university.

(d) The auditor of state may, with the approval of the budget agency and of the commissioner of the Indiana department of administration:

(1) appoint a special disbursing officer for any state agency or group of agencies where it is necessary or expedient that a special record be kept of a particular class of disbursements or where disbursements are made from a special fund; and

(2) approve advances to the special disbursing officer or officers from any available appropriation for the purpose.

(e) The auditor of state shall issue the auditor's warrant to the special disbursing officer to be disbursed by the disbursing officer as provided in this section. Special disbursing officers shall in no event make disbursements or payments for supplies or current operating expenses of any agency or for contractual services or equipment not purchased or contracted for in accordance with this chapter and IC 5-22. No special disbursing officer shall be appointed and no money

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shall be advanced until procedures covering the operations of special disbursing officers have been adopted by the Indiana department of administration and approved by the budget agency. These procedures must include the following provisions:

(1) Provisions establishing the authorized levels of special disbursing officer accounts and establishing the maximum amount which may be expended on a single purchase from special disbursing officer funds without prior approval.

(2) Provisions requiring that each time a special disbursing officer makes an accounting to the auditor of state of the expenditure of the advanced funds, the auditor of state shall request that the Indiana department of administration review the accounting for compliance with IC 5-22.

(3) A provision that, unless otherwise approved by the commissioner of the Indiana department of administration, the special disbursing officer must be the same individual as the procurements agent under IC 4-13-1.3-5.

(4) A provision that each disbursing officer be trained by the Indiana department of administration in the proper handling of money advanced to the officer under this section.

(f) The commissioner of the Indiana department of administration shall cite in a letter to the special disbursing officer the exact purpose or purposes for which the money advanced may be expended.

(g) A special disbursing officer may issue a check to a person without requiring a certification under IC 5-11-10-1 if the officer:

(1) is authorized to make the disbursement; and

(2) complies with procedures adopted by the state board of accounts to govern the issuance of checks under this subsection.

(h) A special disbursing officer is not personally liable for a check issued under subsection (g) if:

(1) the officer complies with the procedures described in subsection (g); and

(2) funds are appropriated and available to pay the warrant.

(i) For contracts entered into between the department of workforce development or the Indiana commission on vocational and technical education and:

(1) a school corporation (as defined in IC 20-18-2-16); or

(2) a state educational institution (as defined in IC 20-12-0.5-1);

the contracting parties are not required to post security to cover the amount advanced.

SECTION 2. IC 6-1.1-4-17, AS AMENDED BY P.L.228-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JANUARY 1, 2008]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a

(1) township assessor; or

(2) group consisting of the county assessor and the township assessors in a county;

may employ professional appraisers as technical advisors. ~~A decision by one (1) or more assessors referred to in subdivisions (1) and (2) to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.~~

(b) ~~After notice to~~ The county assessor and all township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote to:

(1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period

(2) appoint an assessor or a group of assessors to:

(A) enter into and administer the contract with a professional appraiser employed under this section; and

(B) oversee the work of a professional appraiser employed under this section.

Each township assessor and the county assessor has one (1) vote. ~~A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. or any other period.~~ Subject to the limitations in section 18.5 of this chapter, the ~~county assessor or assessors appointed under subdivision (2)~~ may contract with a professional appraiser employed under this section to supply technical advice ~~during a general reassessment period for all one (1) or more townships in the county.~~ A proportionate part of the appropriation to ~~all townships each township served under the contract~~ for assessing purposes shall be used to pay for the technical advice.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 3. IC 6-1.1-4-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18.5. (a) ~~A township assessor, a group of township assessors, or~~ The county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the ~~state board of tax commissioners (before the board was abolished)~~ or the department of local government finance or a contract which has been

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specifically approved by the ~~board or the~~ department. The department shall ensure that the contract:

(1) includes all of the provisions required under section 19.5(b) of this chapter; and

(2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.

(b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property, before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county; or if only one (1) newspaper is there published, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who meets all requirements under law for entering a contract to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.

(c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.

SECTION 4. IC 6-1.1-4-19.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have completed all responsibilities under the contract;

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) **subject to subsection (d)**, a provision requiring the appraiser, or appraisal firm, to make periodic reports to:

(A) the county assessor; and

(B) the township assessors involved; assessor of each township served under the contract;

(4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision

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- (3) of this subsection are to be made;
- (5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;
- (6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance; and
- (7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract.

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to the provisions of this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

- (1) one (1) or more model contracts;
- (2) one (1) contract with alternate provisions; or
- (3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

(d) The contract must require an appraiser or appraisal firm to make to a township assessor only the periodic reports relating to property in the township served by that township assessor.

SECTION 5. IC 6-1.1-4-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 20. The department of local government finance may establish a period with respect to each general reassessment that is the only time during which a ~~township~~ or county assessor may enter into a contract with a professional appraiser. The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a ~~township~~ or county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to ~~commence~~. **begin.**

SECTION 6. IC 6-1.1-4-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 21. (a) If, during a period of general reassessment, a township assessor makes the real property appraisals, ~~himself~~, the appraisals of the parcels subject to taxation must be completed as follows:

- (1) The appraisal of one-fourth (1/4) of the parcels shall be completed before December 1 of the year in which the general

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reassessment begins.

(2) The appraisal of one-half (1/2) of the parcels shall be completed before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisal of three-fourths (3/4) of the parcels shall be completed before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisal of all the parcels shall be completed before March 1 of the second year following the year in which the general reassessment begins.

(b) **Subject to subsection (c)**, if a ~~township~~ **county** assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, the professional appraiser or appraisal firm must file appraisal reports with the **county assessor and the township assessor of each township served under the contract** as follows:

(1) The appraisals for one-fourth (1/4) of the parcels shall be reported before December 1 of the year in which the general reassessment begins.

(2) The appraisals for one-half (1/2) of the parcels shall be reported before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisals for three-fourths (3/4) of the parcels shall be reported before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before March 1 of the second year following the year in which the general reassessment begins.

However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures.

(c) A professional appraiser or appraisal firm must file with a township assessor under subsection (b) only the appraisal reports relating to property in the township served by that township assessor.

SECTION 7. IC 6-1.1-4-31.5, AS ADDED BY P.L.228-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31.5. (a) As used in this section, "assessment official" means any of the following:

(1) A county assessor.

(2) A township assessor.

(3) A township trustee-assessor.

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(b) As used in this section, "department" refers to the department of local government finance.

(c) If the department makes a determination and informs local officials under section 31(c) of this chapter, the department may order a state conducted assessment or reassessment in the county subject to the time limitation in that subsection.

(d) If the department orders a state conducted assessment or reassessment in a county, the department shall assume the duties of the county's assessment officials. Notwithstanding sections 15 and 17 of this chapter, an assessment official in a county subject to an order issued under this section may not assess property or have property assessed for the assessment or general reassessment. Until the state conducted assessment or reassessment is completed under this section, the assessment or reassessment duties of an assessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(e) Before assuming the duties of a county's assessment officials, the department shall transmit a copy of the department's order requiring a state conducted assessment or reassessment to the county's assessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

(f) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the assessment or reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment or a general reassessment and is subject to IC 6-1.1-37-2.

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(g) The department may enter into a contract with a professional appraising firm to conduct an assessment or reassessment under this section. If a county ~~or a township located in the county~~ entered into a contract with a professional appraising firm to conduct the county's assessment or reassessment before the department orders a state conducted assessment or reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(h) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (g), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment. The notice of assessment or reassessment:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

(i) The department shall forward a bill for services provided under a contract described in subsection (g) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (j).

(j) A county subject to an order issued under this section shall pay the cost of a contract described in subsection (g), without appropriation, from the county property reassessment fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:
 - (A) approval of the form and amount of the bill; and
 - (B) a certification that the billed goods and services have been received and comply with the contract; and
- (3) files with the county auditor:
 - (A) a duplicate copy of the bill submitted to the department;
 - (B) proof of the department's approval of the form and amount of the bill; and
 - (C) the department's certification that the billed goods and services have been received and comply with the contract.

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The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

(k) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.

(l) If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

(m) The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land, as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land, the department or the contractor shall determine land values for the county that reflect the true tax value of land, as determined under this article and the rules of the department. Land values determined under this subsection shall be

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used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessment officials of the land values determined under this subsection.

(n) A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection (j) at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection (j) at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

(o) The department, upon receiving notice under subsection (n) from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (n)(1) or (n)(2); or

(B) a person or an entity acted or failed to act as described in subsection (n)(3); and

(2) provide to the treasurer of state the department's approval under subsection (j)(2)(A) of the contractor's bill with respect to which the contractor gave notice under subsection (n).

(p) Upon receipt of the department's approval of a contractor's bill under subsection (o), the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

(q) The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or any other law to a county described in a notice provided under subsection (n) the amount of a payment made by the treasurer of state to the contractor of the department under subsection (p). Money shall

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be withheld first from the money payable to the county under IC 6-1.1-21-4(b) and then from all other sources payable to the county.

(r) Compliance with subsections (n) through (q) constitutes compliance with IC 5-11-10.

(s) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (n) through (q). This subsection and subsections (n) through (q) must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

(t) The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 8. IC 6-1.1-5.5-3, AS AMENDED BY P.L.228-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) For purposes of this section, "party" includes:

(1) a seller of property that is exempt under the seller's ownership; or

(2) a purchaser of property that is exempt under the purchaser's ownership;

from property taxes under IC 6-1.1-10.

(b) Before filing a conveyance document with the county auditor under IC 6-1.1-5-4, all the parties to the conveyance must complete and sign a sales disclosure form as prescribed by the department of local government finance under section 5 of this chapter. All the parties may sign one (1) form, or if all the parties do not agree on the information to be included on the completed form, each party may sign and file a separate form. **Subject to subsection (c), the form must be filed with the county auditor along with the conveyance document.**

(c) Before a completed and signed sales disclosure form is filed with the county auditor under subsection (b) in a county other than a county containing a consolidated city, the form must be reviewed and accepted by the county assessor for completeness and accuracy of the information described in section 5(a) of this chapter. The county assessor may verify acceptance by a stamp on the form presented to the county auditor. The department of local government finance may prescribe other methods to reflect the county assessor's review and acceptance.

~~(c)~~ (d) Except as provided in subsection ~~(d)~~, (e), the auditor shall forward each sales disclosure form to the county assessor. The county assessor shall retain the forms for five (5) years. The county assessor shall forward the sales disclosure form data to the department of local

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government finance and the legislative services agency:

(1) before January 1, 2005, in an electronic format, if possible;

and

(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The county assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

~~(d)~~ (e) In a county containing a consolidated city, the auditor shall forward the sales disclosure form to the appropriate township assessor. The township assessor shall forward the sales disclosure form to the department of local government finance and the legislative services agency:

(1) before January 1, 2005, in an electronic format, if possible;

and

(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6, and any other authorized purpose.

~~(e)~~ (f) If a sales disclosure form includes the telephone number or Social Security number of a party, the telephone number or Social Security number is confidential.

SECTION 9. IC 6-1.1-5.5-6, AS AMENDED BY P.L.154-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) The county auditor may not accept a conveyance document if:

(1) the sales disclosure form signed by all the parties and attested as required under section 9 of this chapter is not included with the document; or

(2) **in a county other than a county containing a consolidated city, the sales disclosure form does not contain verification that the county assessor reviewed and accepted the form for completeness and accuracy of the information described in**

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section 5(a) of this chapter.

(b) The county recorder shall not record a conveyance document without evidence that the parties have filed a completed sales disclosure form with the county auditor.

SECTION 10. IC 6-1.1-17.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 17.5. Local Government Capital Project Property Tax Control Boards

Sec. 1. This chapter applies only to property taxes imposed by a civil taxing unit.

Sec. 2. The definitions in IC 36-1-2 apply throughout this chapter.

Sec. 3. As used in this chapter, "civil taxing unit" has the meaning set forth in IC 6-1.1-18.5-1.

Sec. 4. As used in this chapter, "control board" means a local government capital project property tax control board established under section 8 of this chapter.

Sec. 5. As used in this chapter, "debt service" means principal of and interest on the following:

(1) Bonds (as defined in IC 6-1.1-20-1).

(2) Bonds that are subject to review by the control board under IC 6-1.1-20-5.

Sec. 6. As used in this chapter, "lease rentals" means payments required under a lease (as defined in IC 6-1.1-20-1.3) with an original term of at least five (5) years.

Sec. 7. As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals. The term does not include taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53.

Sec. 8. (a) A local government capital project property tax control board is established in each county.

(b) The control board consists of the following nine (9) members:

(1) One (1) member appointed by the county executive.

(2) One (1) member appointed by the county fiscal body.

(3) One (1) member appointed by the executive of the largest municipality in the county.

(4) One (1) member appointed by the fiscal body of the largest municipality in the county.

(5) One (1) member appointed jointly by the executives of all

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other municipalities in the county.

(6) One (1) member appointed jointly by the fiscal bodies of all other municipalities in the county.

(7) The county fiscal officer.

(8) The fiscal officer of the largest municipality in the county.

(9) One (1) member, appointed jointly by the fiscal officers of all other municipalities, who must be a fiscal officer of a municipality in the county.

Sec. 9. (a) The members of the control board shall be appointed before March 1 of each year. The appointment of a member continues in effect until March 1 of the following year.

(b) A vacancy occurring on the control board shall be filled in the same manner as provided for the initial appointment.

Sec. 10. (a) The members of the control board shall, at their first meeting after March 1 of a year, elect from the membership a chairperson, vice-chairperson, and secretary.

(b) Meetings of the control board are subject to IC 5-14-1.5.

Sec. 11. Before a civil taxing unit may impose property taxes to pay debt service or lease rentals, the civil taxing unit must obtain the approval of the control board where the civil taxing unit is located. If the civil taxing unit is located in more than one (1) county, the civil taxing unit must obtain the approval of the control board of each county.

Sec. 12. A civil taxing unit initiates review of proposed property taxes by filing a petition with the control board. The petition must be filed in the manner specified by the department of local government finance.

Sec. 13. (a) The control board shall review each proposal filed under section 12 of this chapter.

(b) The control board shall take action on a petition filed under section 12 of this chapter not later than sixty (60) days after receiving the petition.

(c) After its review, the control board shall adopt a resolution:

- (1) approving;
- (2) approving with modifications; or
- (3) disapproving;

the proposed imposition of property taxes.

SECTION 11. IC 6-1.1-18-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) This section does not permit the transfer or use of money distributed to a political subdivision under:

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(1) IC 6-3.5-1.1-24(e)(2) for a purpose other than the purposes described in IC 6-3.5-1.1-24(g); or

(2) IC 6-3.5-6-30(e)(2) for a purpose other than the purposes described in IC 6-3.5-6-30(g).

(b) The proper officers of a political subdivision may transfer money from one (1) of the political subdivision's funds to another fund of the political subdivision after the adoption of an ordinance or resolution specifying the:

(1) amount of the transfer;

(2) funds involved;

(3) date of the transfer; and

(4) general purpose of the transfer.

(c) The political subdivision shall publish a notice of a transfer made under this section one (1) time in conformity with IC 5-3-1.

(d) The amount transferred is available for use after an appropriation of the funds in conformity with section 5 of this chapter.

SECTION 12. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the greater of:

(1) the remainder of:

(A) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined under section 3 of this chapter; minus

(B) one-half (1/2) of the remainder of:

(i) the civil taxing unit's maximum permissible ad valorem property tax levy referred to in clause (A); minus

(ii) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year referred to in subdivision (2); or

(2) the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year,

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as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 13. IC 6-1.1-18.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

- (1) bonded indebtedness; or
- (2) lease rentals under a lease with an original term of at least five (5) years.

(b) A civil taxing unit must file a petition requesting approval from the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5** to incur bonded indebtedness or execute a lease with an original term of at least five (5) years not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under:

- (1) IC 6-1.1-20-3.1(2); or
- (2) **IC 6-1.1-20-5;**

unless the civil taxing unit demonstrates that a longer period is reasonable in light of the civil taxing unit's facts and circumstances. A civil taxing unit must obtain approval from the ~~department of local government finance~~ **local government capital projects property tax control board** before the civil taxing unit may:

- (1) incur the bonded indebtedness; or

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(2) enter into the lease.

The department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for approval under subsection (b). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the civil taxing unit. A civil taxing unit may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this section.

(d) (c) A civil taxing unit does not need approval under subsection (b) to obtain temporary loans made in anticipation of and to be paid from current revenues of the civil taxing unit actually levied and in the course of collection for the fiscal year in which the loans are made.

(e) (d) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of its levy that is committed to fund or pay bond indebtedness or lease rentals with an original term of five (5) years in subsection (a).

(f) A taxpayer may petition for judicial review of the final determination of the department of local government finance under this section. The petition must be filed in the tax court not more than thirty (30) days after the department enters its order under this section.

SECTION 14. IC 6-1.1-18.5-9.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9.7. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed under any of the following:

(1) IC 12-16, except IC 12-16-1.

(2) IC 12-19-5.

(3) IC 12-19-7.

(4) IC 12-19-7.5.

(5) IC 12-20-24.

(6) IC 36-1-18.

(b) For purposes of computing the ad valorem property tax levy

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limits imposed under section 3 of this chapter, a county's or township's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under the citations listed in subsection (a).

(c) Section 8(b) of this chapter does not apply to bonded indebtedness that will be repaid through property taxes imposed under ~~IC 12-19~~ **IC 12-19-5 or IC 12-19-7.5.**

SECTION 15. IC 6-1.1-20-3.2, AS AMENDED BY P.L.2-2006, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.2. If a sufficient petition requesting the application of a petition and remonstrance process has been filed as set forth in section 3.1 of this chapter, a political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of the political subdivision shall give notice of the applicability of the petition and remonstrance process by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in section 3.1(1)(B) of this chapter.

A notice under this subdivision must include a statement that any owners of real property within the political subdivision who want to petition in favor of or remonstrate against the proposed debt service or lease payments must file petitions and remonstrances in compliance with subdivisions (2) through (4) not earlier than thirty (30) days or later than sixty (60) days after publication in accordance with IC 5-3-1.

(2) Not earlier than thirty (30) days or later than sixty (60) days after the notice under subdivision (1) is given:

(A) petitions (described in subdivision (3)) in favor of the bonds or lease; and

(B) remonstrances (described in subdivision (3)) against the bonds or lease;

may be filed by an owner or owners of real property within the political subdivision. Each signature on a petition must be dated and the date of signature may not be before the date on which the petition and remonstrance forms may be issued under subdivision (3). A petition described in clause (A) or a remonstrance described in clause (B) must be verified in compliance with subdivision (4) before the petition or remonstrance is filed with the county auditor under subdivision (4).

(3) The state board of accounts shall design and, upon request by

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the county auditor, deliver to the county auditor or the county auditor's designated printer the petition and remonstrance forms to be used solely in the petition and remonstrance process described in this section. The county auditor shall issue to an owner or owners of real property within the political subdivision the number of petition or remonstrance forms requested by the owner or owners. Each form must be accompanied by instructions detailing the requirements that:

- (A) the carrier and signers must be owners of real property;
- (B) the carrier must be a signatory on at least one (1) petition;
- (C) after the signatures have been collected, the carrier must swear or affirm before a notary public that the carrier witnessed each signature;
- (D) govern the closing date for the petition and remonstrance period; and
- (E) apply to the carrier under section 10 of this chapter.

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that

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signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the: ~~department of local government finance required by:~~

(A) **local government capital project property tax control board for the county in which a civil taxing unit is located as required by IC 6-1.1-18.5-8; or**

(B) **department of local government finance required by IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10.**

SECTION 16. IC 6-1.1-20-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) When the proper officers of a political subdivision decide to issue bonds in a total amount which exceeds five thousand dollars (\$5,000), they shall give notice of the decision by:

(1) posting; and

(2) publication once each week for two (2) weeks.

The notice required by this section shall be posted in three (3) public places in the political subdivision and published in accordance with IC 5-3-1-4. The decision to issue bonds may be a preliminary decision.

(b) Ten (10) or more taxpayers who will be affected by the proposed issuance of the bonds and who wish to object to the issuance on the grounds that it is unnecessary or excessive may file a petition in the office of the auditor of the county in which the political subdivision is located. The petition must be filed within fifteen (15) days after the notice required by subsection (a) is given, and it must contain the objections of the taxpayers and facts which show that the proposed issue is unnecessary or excessive. When taxpayers file a petition in the

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manner prescribed in this subsection, the county auditor shall immediately forward a certified copy of the petition and any other relevant information to the:

(1) **local government capital project property tax control board in which the political subdivision is located, if the political subdivision is a civil taxing unit; and**

(2) **department of local government finance, if the political subdivision is a school corporation.**

SECTION 17. IC 6-1.1-20-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. Upon receipt of a certified petition filed in the manner prescribed in section 5(b)(1) of this chapter, the local government capital project property tax control board shall fix a time and place for a hearing on the matter. The local government capital project property tax control board shall hold the hearing not less than five (5) or more than twenty (20) days after the board receives the petition, and the board shall hold the hearing in the political subdivision or in the county where the political subdivision is located. At least five (5) days before the date fixed for the hearing, the board shall give notice of the hearing, by mail, to the executive officer of the political subdivision and to the first ten (10) taxpayers who signed the petition. The mailings shall be addressed to the officer and the taxpayers at their usual place of residence.**

SECTION 18. IC 6-1.1-20-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6. (a) Upon receipt of a certified petition filed in the manner prescribed in section 5(b)(2) of this chapter, the department of local government finance shall fix a time and place for a hearing on the matter. The department of local government finance shall hold the hearing not less than five (5) or more than thirty (30) days after the department receives the petition, and the department shall hold the hearing in the ~~political subdivision~~ school corporation or in the county where the ~~political subdivision~~ school corporation is located. At least five (5) days before the date fixed for the hearing, the department of local government finance shall give notice of the hearing, by mail, to the executive officer of the ~~political subdivision~~ school corporation and to the first ten (10) taxpayers who signed the petition. The mailings shall be addressed to the officer and the taxpayers at their usual place of residence.**

(b) After the hearing required by this section, the department of local government finance may approve, disapprove, or reduce the amount of the proposed issue. The department of local government

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1 finance must render a decision not later than three (3) months after the
 2 hearing, and if no decision is rendered within that time, the issue is
 3 considered approved unless the department takes the extension
 4 provided for in this section. A three (3) month extension of the time
 5 period during which the decision must be rendered may be taken by the
 6 department of local government finance if the department by mail gives
 7 notice of the extension to the executive officer of the ~~political~~
 8 ~~subdivision~~ **school corporation** and to the first ten (10) taxpayers who
 9 signed the petition, at least ten (10) days before the end of the original
 10 three (3) month period. If no decision is rendered within the extension
 11 period, the issue is considered approved.

12 (c) A:

13 (1) taxpayer who signed a petition referred to in subsection (a); or

14 (2) ~~political subdivision~~ **school corporation** against which a
 15 petition referred to in subsection (a) is filed;

16 may petition for judicial review of the final determination of the
 17 department of local government finance under subsection (b). The
 18 petition must be filed in the tax court not more than forty-five (45) days
 19 after the department renders its decision under subsection (b).

20 SECTION 19. IC 6-1.1-20-9 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) When the
 22 proper officers of a ~~political subdivision~~ **school corporation** decide to
 23 issue bonds payable from property taxes to finance a public
 24 improvement, they shall adopt an ordinance or resolution which sets
 25 forth their determination to issue the bonds. Except as provided in
 26 subsection (b), the ~~political subdivision~~ **school corporation** may not
 27 advertise for or receive bids for the construction of the improvement
 28 until the expiration of the latter of:

29 (1) the time period within which taxpayers may file a petition for
 30 review of or a remonstrance against the proposed issue; or

31 (2) the time period during which a petition for review of the
 32 proposed issue is pending before the department of local
 33 government finance.

34 (b) When a petition for review of a proposed issue is pending before
 35 the department of local government finance, the department may order
 36 the ~~political subdivision~~ **school corporation** to advertise for and
 37 receive bids for the construction of the public improvement. When the
 38 department of local government finance issues such an order, the
 39 ~~political subdivision~~ **school corporation** shall file a bid report with the
 40 department within five (5) days after the bids are received, and the
 41 department shall render a final decision on the proposed issue within
 42 fifteen (15) days after it receives the bid report. Notwithstanding the

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provisions of this subsection, a ~~political subdivision~~ **school corporation** may not enter into a contract for the construction of a public improvement while a petition for review of the bond issue which is to finance the improvement is pending before the department of local government finance.

SECTION 20. IC 6-1.1-21-2, AS AMENDED BY P.L.67-2006, SECTION 4, AND AS AMENDED BY P.L.2-2006, SECTION 57, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5 is to be filed ~~on or before~~ *March 1 of* each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31,

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- 1 1983; plus
 2 (iii) IC 6-1.1-18.6-3 (children in need of services and
 3 delinquent children who are wards of the county) *(before its*
 4 *repeal)*; minus
 5 (C) the total amount of property taxes imposed for the stated
 6 assessment year by the taxing units of the county under the
 7 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
 8 IC 12-19-5, or IC 12-20-24; minus
 9 (D) the total amount of property taxes to be paid during the
 10 stated assessment year that will be used to pay for interest or
 11 principal due on debt that:
 12 (i) is entered into after December 31, 1983;
 13 (ii) is not debt that is issued under IC 5-1-5 to refund debt
 14 incurred before January 1, 1984; and
 15 (iii) does not constitute debt entered into for the purpose of
 16 building, repairing, or altering school buildings for which
 17 the requirements of IC 20-5-52 (repealed) were satisfied
 18 prior to January 1, 1984; minus
 19 (E) the amount of property taxes imposed in the county for the
 20 stated assessment year under the authority of IC 21-2-6
 21 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 22 cumulative building fund whose property tax rate was initially
 23 established or reestablished for a stated assessment year that
 24 succeeds the 1983 stated assessment year; minus
 25 (F) the remainder of:
 26 (i) the total property taxes imposed in the county for the
 27 stated assessment year under authority of IC 21-2-6
 28 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 29 cumulative building fund whose property tax rate was not
 30 initially established or reestablished for a stated assessment
 31 year that succeeds the 1983 stated assessment year; minus
 32 (ii) the total property taxes imposed in the county for the
 33 1984 stated assessment year under the authority of IC 21-2-6
 34 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
 35 cumulative building fund whose property tax rate was not
 36 initially established or reestablished for a stated assessment
 37 year that succeeds the 1983 stated assessment year; minus
 38 (G) the amount of property taxes imposed in the county for the
 39 stated assessment year under:
 40 (i) IC 21-2-15 *(before its repeal)* or IC 20-46-6 for a capital
 41 projects fund; plus
 42 (ii) IC 6-1.1-19-10 *(before its repeal)* or IC 20-46-3 for a

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1 racial balance fund; plus
 2 (iii) IC 36-12-12 for a library capital projects fund; plus
 3 (iv) IC 36-10-13-7 for an art association fund; plus
 4 (v) IC 21-2-17 (*before its repeal*) or IC 20-46-2 for a special
 5 education preschool fund; plus
 6 (vi) IC 21-2-11.6 (*before its repeal*) or IC 20-46-1 for a
 7 referendum tax levy fund; plus
 8 (vii) an appeal filed under IC 6-1.1-19-5.1 (*before its repeal*)
 9 or IC 20-45-6-8 for an increase in a school corporation's
 10 maximum permissible ~~general fund~~ tuition support levy for
 11 certain transfer tuition costs; plus
 12 (viii) an appeal filed under IC 6-1.1-19-5.4 (*before its*
 13 *repeal*) or IC 20-46-4-10 for an increase in a school
 14 corporation's maximum permissible ~~general~~ transportation
 15 fund levy for transportation operating costs; minus
 16 (H) the amount of property taxes imposed by a school
 17 corporation that is attributable to the passage, after 1983, of a
 18 referendum for an excessive tax levy under ~~IC 6-1.1-19~~
 19 ~~IC 6-1.1-19-4.5~~ (*before its repeal*), including any increases in
 20 these property taxes that are attributable to the adjustment set
 21 forth in IC 6-1.1-19-1.5 (*before its repeal*), IC 20-45-3, or any
 22 other law; minus
 23 (I) for each township in the county, the lesser of:
 24 (i) the sum of the amount determined in IC 6-1.1-18.5-19(a)
 25 STEP THREE (*as effective January 1, 1990*) or
 26 IC 6-1.1-18.5-19(b) STEP THREE (*as effective January 1,*
 27 *1990*), whichever is applicable, plus the part, if any, of the
 28 township's ad valorem property tax levy for calendar year
 29 1989 that represents increases in that levy that resulted from
 30 an appeal described in IC 6-1.1-18.5-13(4) (*as effective*
 31 *before January 1, 1989*), filed after December 31, 1982; or
 32 (ii) the amount of property taxes imposed in the township for
 33 the stated assessment year under the authority of
 34 IC 36-8-13-4; minus
 35 (J) for each participating unit in a fire protection territory
 36 established under IC 36-8-19-1, the amount of property taxes
 37 levied by each participating unit under IC 36-8-19-8 and
 38 IC 36-8-19-8.5 less the maximum levy limit for each of the
 39 participating units that would have otherwise been available
 40 for fire protection services under IC 6-1.1-18.5-3 and
 41 IC 6-1.1-18.5-19 for that same year; minus
 42 (K) for each county, ~~the sum of:~~

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(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN *(as effective January 1, 1995)* for property taxes payable in 1995; or for property taxes payable in each year after 1995; the amount determined under IC 12-19-7-4(b) *(as effective before March 16, 2004)* and IC 12-19-7-4 *(as effective after March 15, 2004)*; and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 *(before its repeal)* that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN *(as effective January 1, 1995)* for property taxes payable in 1995; or the amount determined under IC 12-19-7-4(b) *(as effective before March 16, 2004)* and IC 12-19-7-4; *(as effective after March 15, 2004)* for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes ~~which~~ *that* each county auditor is required to prepare ~~on or before March 1 of~~ each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is, except as otherwise provided by law, equal to the sum of the following:

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(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

- (1) held for sale in the ordinary course of a trade or business; or
- (2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, except as otherwise provided by law, the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

SECTION 21. IC 6-1.1-21-4, AS AMENDED BY P.L.228-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

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(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half ($\frac{1}{2}$) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half ($\frac{1}{2}$) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of

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the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:

(1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;

(2) by the deadline under IC 36-2-9-20, the county auditor has not transmitted data as required under that section;

(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure forms under ~~IC 6-1.1-5.5-3(b)~~; **IC 6-1.1-5.5-3(d)**;

(5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);

(6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in

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a timely manner;

(7) the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

- (1) provide information; or
- (2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6) may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money deposited under this subsection is not subject to distribution under subsection (f).

SECTION 22. IC 6-1.1-35-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. (a) All information that is related to earnings, income, profits, losses, or expenditures and that is:

(1) given by a person to:

- (A) an assessing official;
- (B) a member of a county property tax assessment board of appeals;
- (C) a county assessor;
- (D) an employee of a person referred to in clauses (A) through

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- 1 (C); or
 2 (E) an officer or employee of an entity that contracts with a
 3 board of county commissioners ~~or~~ a county assessor ~~or an~~
 4 ~~elected township assessor~~ under IC 6-1.1-36-12; or
 5 (2) acquired by:
 6 (A) an assessing official;
 7 (B) a member of a county property tax assessment board of
 8 appeals;
 9 (C) a county assessor;
 10 (D) an employee of a person referred to in clauses (A) through
 11 (C); or
 12 (E) an officer or employee of an entity that contracts with a
 13 board of county commissioners ~~or~~ a county assessor ~~or an~~
 14 ~~elected township assessor~~ under IC 6-1.1-36-12;
 15 in the performance of the person's duties;
 16 is confidential. The assessed valuation of tangible property is a matter
 17 of public record and is thus not confidential. Confidential information
 18 may be disclosed only in a manner that is authorized under subsection
 19 (b), (c), or (d).
 20 (b) Confidential information may be disclosed to:
 21 (1) an official or employee of:
 22 (A) this state or another state;
 23 (B) the United States; or
 24 (C) an agency or subdivision of this state, another state, or the
 25 United States;
 26 if the information is required in the performance of the official
 27 duties of the official or employee; or
 28 (2) an officer or employee of an entity that contracts with a board
 29 of county commissioners ~~or~~ a county assessor ~~or an elected~~
 30 ~~township assessor~~ under IC 6-1.1-36-12 if the information is
 31 required in the performance of the official duties of the officer or
 32 employee.
 33 (c) The following state agencies, or their authorized representatives,
 34 shall have access to the confidential farm property records and
 35 schedules that are on file in the office of a county or township assessor:
 36 (1) the Indiana state board of animal health, in order to perform
 37 its duties concerning the discovery and eradication of farm animal
 38 diseases;
 39 (2) the department of agricultural statistics of Purdue University,
 40 in order to perform its duties concerning the compilation and
 41 dissemination of agricultural statistics; and
 42 (3) any other state agency that needs the information in order to

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1 perform its duties.

2 (d) Confidential information may be disclosed during the course of
3 a judicial proceeding in which the regularity of an assessment is
4 questioned.

5 (e) Confidential information that is disclosed to a person under
6 subsection (b) or (c) retains its confidential status. Thus, that person
7 may disclose the information only in a manner that is authorized under
8 subsection (b), (c), or (d).

9 (f) Notwithstanding any other provision of law:

10 (1) a person who:

11 (A) is an officer or employee of an entity that contracts with a
12 board of county commissioners ~~or a county assessor or an~~
13 ~~elected township assessor~~ under IC 6-1.1-36-12; and

14 (B) obtains confidential information under this section;
15 may not disclose that confidential information to any other
16 person; and

17 (2) a person referred to in subdivision (1) must return all
18 confidential information to the taxpayer not later than fourteen
19 (14) days after the earlier of:

20 (A) the completion of the examination of the taxpayer's
21 personal property return under IC 6-1.1-36-12; or

22 (B) the termination of the contract.

23 SECTION 23. IC 6-1.1-35-11 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) An
25 assessing official, ~~a member of a county property tax assessment board~~
26 ~~of appeals, a state board member,~~ or an employee of any assessing
27 official, county assessor, or board shall immediately be dismissed from
28 that position if the person discloses in an unauthorized manner any
29 information that is classified as confidential under section 9 of this
30 chapter.

31 (b) If an officer or employee of an entity that contracts with a board
32 of county commissioners ~~or a county assessor or an elected township~~
33 ~~assessor~~ under IC 6-1.1-36-12 discloses in an unauthorized manner any
34 information that is classified as confidential under section 9 of this
35 chapter:

36 (1) the contract between the entity and the board ~~or the county~~
37 ~~assessor~~ is void as of the date of the disclosure;

38 (2) the entity forfeits all right to payments owed under the
39 contract after the date of disclosure;

40 (3) the entity and its affiliates are barred for three (3) years after
41 the date of disclosure from entering into a contract with a board
42 ~~or a county assessor or an elected township assessor~~ under

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1 IC 6-1.1-36-12; and

2 (4) the taxpayer whose information was disclosed has a right of
3 action for triple damages against the entity.

4 SECTION 24. IC 6-1.1-36-12, AS AMENDED BY P.L.154-2006,
5 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JANUARY 1, 2008]: Sec. 12. (a) A board of county commissioners **or**
7 a county assessor ~~or an elected township assessor~~ may enter into a
8 contract for the discovery of property that has been undervalued or
9 omitted from assessment. The contract must prohibit payment to the
10 contractor for discovery of undervaluation or omission with respect to
11 a parcel or personal property return before all appeals of the assessment
12 of the parcel or the assessment under the return have been finalized.
13 The contract may require the contractor to:

14 (1) examine and verify the accuracy of personal property returns
15 filed by taxpayers with a township assessor of a township in the
16 county; and

17 (2) compare a return with the books of the taxpayer and with
18 personal property owned, held, possessed, controlled, or occupied
19 by the taxpayer.

20 (b) This subsection applies if funds are not appropriated for
21 payment of services performed under a contract described in subsection
22 (a). The county auditor may create a special nonreverting fund in which
23 the county treasurer shall deposit the amount of taxes, including
24 penalties and interest, that result from additional assessments on
25 undervalued or omitted property collected from all taxing jurisdictions
26 in the county after deducting the amount of any property tax credits that
27 reduce the owner's property tax liability for the undervalued or omitted
28 property. The fund remains in existence during the term of the contract.
29 Distributions shall be made from the fund without appropriation only
30 for the following purposes:

31 (1) All contract fees and other costs related to the contract.

32 (2) After the payments required by subdivision (1) have been
33 made and the contract has expired, the county auditor shall
34 distribute all money remaining in the fund to the appropriate
35 taxing units in the county using the property tax rates of each
36 taxing unit in effect at the time of the distribution.

37 (c) A board of county commissioners **or** a county assessor ~~or an~~
38 ~~elected township assessor~~ may not contract for services under
39 subsection (a) on a percentage basis.

40 SECTION 25. IC 6-3.5-1.1-1 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this
42 chapter:

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"Adjusted gross income" has the same definition that the term is given in IC 6-3-1-3.5(a), except ~~that~~ **as follows:**

(1) In the case of a county taxpayer who is not a resident of a county that has imposed the county adjusted gross income tax, the term includes only adjusted gross income derived from his principal place of business or employment.

(2) **In the case of a corporation, the term means adjusted gross income derived from sources within Indiana multiplied by a fraction. The numerator of the fraction is the average value of the corporation's real and personal tangible property owned or rented and used in the county in the corporation's taxable year, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011). The denominator of the fraction is the average value of the corporation's real and personal tangible property owned or rented and used in Indiana in the corporation's taxable year, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**

"Civil taxing unit" means any entity having the power to impose ad valorem property taxes except a school corporation. The term does not include a solid waste management district that is not entitled to a distribution under section 1.3 of this chapter. However, in the case of a consolidated city, the term "civil taxing unit" includes the consolidated city and all special taxing districts, all special service districts, and all entities whose budgets and property tax levies are subject to review under IC 36-3-6-9.

"Corporation" does not include a corporation to the extent that the corporation is exempt from state adjusted gross income tax under IC 6-3-2-2.8.

"County council" includes the city-county council of a consolidated city.

"County taxpayer" as it relates to a county **and except as provided in section 24 of this chapter**, for a year means any individual:

(1) who resides in that county on the date specified in section 16 of this chapter; or

(2) who maintains his principal place of business or employment in that county on the date specified in section 16 of this chapter and who does not on that same date reside in another county in which the county adjusted gross income tax **(including any additional rate imposed under section 24 of this chapter)**, the county option income tax **(including any additional rate**

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1 **imposed under IC 6-3.5-1.1-24),** or the county economic
2 development income tax is in effect.

3 "Department" refers to the Indiana department of state revenue.

4 "Nonresident county taxpayer" as it relates to a county for a year
5 **and except as provided in section 24 of this chapter,** means any
6 county taxpayer for that county for that year who is not a resident
7 county taxpayer of that county for that year.

8 "Resident county taxpayer" as it relates to a county for a year means
9 any county taxpayer who resides in that county on the date specified in
10 section 16 of this chapter.

11 "School corporation" means any public school corporation
12 established under Indiana law.

13 SECTION 26. IC 6-3.5-1.1-2, AS AMENDED BY P.L.162-2006,
14 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 UPON PASSAGE]: Sec. 2. (a) The county council of any county in
16 which the county option income tax will not be in effect on July 1 of a
17 year under an ordinance adopted during a previous calendar year may
18 impose the county adjusted gross income tax on the adjusted gross
19 income of county taxpayers of its county effective July 1 of that year.

20 (b) Except as provided in section 2.3, 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, ~~or~~
21 3.6, **or 24** of this chapter, the county adjusted gross income tax may be
22 imposed at a rate of one-half of one percent (0.5%), three-fourths of
23 one percent (0.75%), or one percent (1%) on the adjusted gross income
24 of resident county taxpayers of the county. Any county imposing the
25 county adjusted gross income tax must impose the tax on the
26 nonresident county taxpayers at a rate of one-fourth of one percent
27 (0.25%) on their adjusted gross income. If the county council elects to
28 decrease the county adjusted gross income tax, the county council may
29 decrease the county adjusted gross income tax rate in increments of
30 one-tenth of one percent (0.1%).

31 (c) To impose the county adjusted gross income tax, the county
32 council must, after January 1 but before April 1 of a year, adopt an
33 ordinance. The ordinance must substantially state the following:

34 "The _____ County Council imposes the county adjusted
35 gross income tax on the county taxpayers of _____ County.
36 The county adjusted gross income tax is imposed at a rate of
37 _____ percent (____%) on the resident county taxpayers of the
38 county and one-fourth of one percent (0.25%) on the nonresident
39 county taxpayers of the county. This tax takes effect July 1 of this
40 year."

41 (d) Any ordinance adopted under this section takes effect July 1 of
42 the year the ordinance is adopted.

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(e) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(f) If the county adjusted gross income tax had previously been adopted by a county under IC 6-3.5-1 (before its repeal on March 15, 1983) and that tax was in effect at the time of the enactment of this chapter, then the county adjusted gross income tax continues in that county at the rates in effect at the time of enactment until the rates are modified or the tax is rescinded in the manner prescribed by this chapter. If a county's adjusted gross income tax is continued under this subsection, then the tax shall be treated as if it had been imposed under this chapter and is subject to rescission or reduction as authorized in this chapter.

SECTION 27. IC 6-3.5-1.1-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) The county council may decrease the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county. To decrease the rate, the county council must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance must substantially state the following:

"The _____ County Council decreases the county adjusted gross income tax rate imposed upon the resident county taxpayers of the county from _____ percent (____%) to _____ percent (____%). This tax rate decrease takes effect July 1 of this year."

(b) A county council may not decrease the county adjusted gross income tax rate if the county or any commission, board, department, or authority that is authorized by statute to pledge the county adjusted gross income tax has pledged the county adjusted gross income tax for any purpose permitted by IC 5-1-14 or any other statute.

(c) Any ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(d) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

(e) **This subsection does not apply to an ordinance to decrease a county adjusted gross income tax rate imposed under section 2.3, 2.5, 2.7, 2.8, 2.9, 3.3, 3.5, 3.6, or 24 of this chapter.** Notwithstanding IC 6-3.5-7, and except as provided in subsection (f), a county council that decreases the county adjusted gross income tax rate in a year may not in the same year adopt or increase the county economic

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development income tax under IC 6-3.5-7.

(f) This subsection applies only to a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000). The county council may adopt or increase the county economic development income tax rate under IC 6-3.5-7 in the same year that the county council decreases the county adjusted gross income tax rate if the county economic development income tax rate plus the county adjusted gross income tax rate in effect after the county council decreases the county adjusted gross income tax rate is less than the county adjusted gross income tax rate in effect before the adoption of an ordinance under this section decreasing the rate of the county adjusted gross income tax.

SECTION 28. IC 6-3.5-1.1-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.5. If for any taxable year a county taxpayer or corporation is subject to different tax rates for the county adjusted gross income tax imposed by a particular county, the taxpayer's county adjusted gross income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:**

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede July 1 by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow June 30 by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

SECTION 29. IC 6-3.5-1.1-9, AS AMENDED BY P.L.207-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Revenue derived from the imposition of the county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

- (1) received from that county for a taxable year ending before the calendar year in which the determination is made; and
- (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

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as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), and (g). The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. **The department shall include with the certification information concerning the part of the certified distribution that is available for the purposes of section 24 of this chapter. The department shall certify to the department of local government finance the part of the certified distribution that is available in a county for credits under section 24 of this chapter at the same time that the department certifies the total certified distribution to the county auditor.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 10(b) of this chapter.

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(f) This subsection applies to a county that:

(1) initially imposes the county adjusted gross income tax; or

(2) increases the county adjusted income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(g) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 3.3 of this chapter beginning not later than the tenth month after the month in which additional revenue from the tax authorized under section 3.3 of this chapter is initially collected.

SECTION 30. IC 6-3.5-1.1-10, AS AMENDED BY P.L.147-2006, SECTION 2, AS AMENDED BY P.L.162-2006, SECTION 29, AND AS AMENDED BY P.L.2-2006, SECTION 68, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except as provided in subsection (b), one-half (1/2) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 8 of this chapter to the appropriate county treasurer on May 1 and the other one-half (1/2) on November 1 of that calendar year.

(b) This subsection applies to a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Notwithstanding section 9 of this chapter, the initial certified distribution certified for a county under section 9 of this chapter shall be distributed to the county treasurer from the account established for the county under section 8 of this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county initially adopts an ordinance under section 2 of this chapter:

(1) One-fourth (1/4) on October 1 of the *calendar* year in which the ordinance was adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance was adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance was adopted.

(4) One-fourth (1/4) on November 1 of the calendar year

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following the year in which the ordinance was adopted.
 Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or ~~IC 6-1.1-19-1.7~~ IC 20-44-3. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

(c) Except for:

(1) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.3 of this chapter;

~~(2)~~ (2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

~~(2)~~ (3) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, operating, or maintaining facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

~~(3)~~ (4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

~~(4)~~ (5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

~~(5)~~ (6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; **or**

(7) revenue treated as additional revenue under section 24 of this chapter;

distributions made to a county treasurer under subsections (a) and (b) shall be treated as though they were property taxes that were due and

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payable during that same calendar year. Except as provided by subsection (b) **and section 24 of this chapter**, the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

(d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the state to the treasurer of the state ordering the appropriate payments.

SECTION 31. IC 6-3.5-1.1-11, AS AMENDED BY P.L.147-2006, SECTION 3, AND AS AMENDED BY P.L.162-2006, SECTION 30, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except for:

(1) *revenue that must be used to pay the costs of:*

(A) *financing, constructing, acquiring, improving, renovating, equipping, operating, or maintaining facilities and buildings;*

(B) *debt service on bonds; or*

(C) *lease rentals;*

under section 2.3 of this chapter;

~~(1)~~ (2) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

~~(2)~~ (3) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, ~~or~~ equipping, *operating, or maintaining* facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

~~(3)~~ (4) revenue that must be used to pay the costs of construction, improvement, renovation, or remodeling of a jail and related buildings and parking structures under section 2.7, 2.9, or 3.3 of this chapter;

~~(4)~~ (5) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; ~~or~~

~~(5)~~ (6) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter; **or**

(7) revenue subject to allocation under section 24 of this chapter;

the certified distribution received by a county treasurer shall, in the manner prescribed in this section, be allocated, distributed, and used by the civil taxing units and school corporations of the county as

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certified shares and property tax replacement credits.

(b) Before August 10 of each calendar year, each county auditor shall determine the part of the certified distribution for the next succeeding calendar year that will be allocated as property tax replacement credits and the part that will be allocated as certified shares. The percentage of a certified distribution that will be allocated as property tax replacement credits or as certified shares depends upon the county adjusted gross income tax rate for resident county taxpayers in effect on August 1 of the calendar year that precedes the year in which the certified distribution will be received by two (2) years. The percentages are set forth in the following table:

COUNTY	PROPERTY TAX	
ADJUSTED GROSS INCOME TAX RATE	REPLACEMENT CREDITS	CERTIFIED SHARES
0.5%	50%	50%
0.75%	33 1/3%	66 2/3%
1%	25%	75%

(c) The part of a certified distribution that constitutes property tax replacement credits shall be distributed as provided under sections 12, 13, and 14 of this chapter.

(d) The part of a certified distribution that constitutes certified shares shall be distributed as provided by section 15 of this chapter.

SECTION 32. IC 6-3.5-1.1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) remittances;
- (5) incorporation of the provisions of the Internal Revenue Code;
- (6) penalties and interest;
- (7) exclusion of military pay credits for withholding; and
- (8) exemptions and deductions;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted annually along with the

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1 employer's annual withholding report.

2 **(d) A corporation shall make estimated payments of the tax**
 3 **imposed under this chapter at the same time as estimated payments**
 4 **are made under IC 6-3-4-4.1. Estimated payments shall be made in**
 5 **the form and in the manner prescribed by the department.**

6 SECTION 33. IC 6-3.5-1.1-23 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) **Subject to**
 8 **section 24 of this chapter**, a pledge of county adjusted gross income
 9 tax revenues under this chapter is enforceable in accordance with
 10 IC 5-1-14.

11 (b) With respect to obligations for which a pledge has been made
 12 under this chapter, the general assembly covenants with the county and
 13 the purchasers or owners of those obligations that this chapter will not
 14 be repealed or amended in any manner that will adversely affect the
 15 collection of the tax imposed under this chapter as long as the principal
 16 of or interest on those obligations is unpaid.

17 SECTION 34. IC 6-3.5-1.1-24 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) **The definitions in**
 20 **IC 6-1.1-1, IC 6-1.1-20.6, and IC 6-1.1-20.9 and the following**
 21 **definitions apply throughout this section:**

22 (1) **"Certified distribution" refers to the part of the total**
 23 **certified distribution determined under section 9 of this**
 24 **chapter for a county in a particular year that is attributable**
 25 **to a tax rate imposed for the purposes of this section.**

26 (2) **"County taxpayer", as it relates to a particular county,**
 27 **means any individual:**

28 (A) **who resides in the county on the date specified in**
 29 **section 16 of this chapter; or**

30 (B) **who maintains the individual's principal place of**
 31 **business or employment in that county on the date**
 32 **specified in section 16 of this chapter.**

33 (3) **"Credit" refers to a credit established under this section**
 34 **against property tax liability of taxpayers in a county.**

35 (4) **"Net total county tax levy" means the part of the total**
 36 **county tax levy imposed in a county on real property and**
 37 **tangible personal property, excluding business personal**
 38 **property (as defined in IC 6-1.1-21-2), for a particular year by**
 39 **civil taxing units and the school corporations, determined**
 40 **after subtracting the following:**

41 (A) **The eligible property tax replacement amount (as**
 42 **defined in IC 6-1.1-21-2) for the county for that year.**

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- 1 **(B) The amount of homestead credits provided under**
 2 **IC 6-1.1-20.9 that is certified for the county under**
 3 **IC 6-1.1-21-3.**
- 4 **(5) "Nonresident county taxpayer", as it relates to a county**
 5 **for a year, means any county taxpayer for that county for that**
 6 **year who is not a resident county taxpayer of that county for**
 7 **that year.**
- 8 **(6) "Ordinance" refers to an ordinance adopted to implement**
 9 **this section.**
- 10 **(7) "Property tax" refers to the ad valorem property taxes**
 11 **imposed by the taxing units in the county.**
- 12 **(8) "Property tax liability" means tax liability, as described in**
 13 **IC 6-1.1-21-5, for the part of the net total county tax levy on**
 14 **which a credit is calculated under this section.**
- 15 **(9) "Public safety" refers to the following:**
- 16 **(A) A police and law enforcement system to preserve**
 17 **public peace and order.**
- 18 **(B) A firefighting and fire prevention system.**
- 19 **(C) Emergency ambulance services (as defined in**
 20 **IC 16-18-2-107), except as part of a levy for a county**
 21 **hospital under IC 16-22 or a municipal hospital under**
 22 **IC 16-23.**
- 23 **(D) Emergency medical services (as defined in**
 24 **IC 16-18-2-110), except as part of a levy for a county**
 25 **hospital under IC 16-22 or a municipal hospital under**
 26 **IC 16-23.**
- 27 **(E) Emergency action (as defined in IC 13-11-2-65).**
- 28 **(F) A probation department of a court.**
- 29 **(G) Confinement, supervision, services under a community**
 30 **corrections program (as defined in IC 35-38-2.6-2), or**
 31 **other correctional services for a person who has been:**
- 32 **(i) diverted before a final hearing or trial under an**
 33 **agreement that is between the county prosecuting**
 34 **attorney and the person or the person's custodian,**
 35 **guardian, or parent and that provides for confinement,**
 36 **supervision, community corrections services, or other**
 37 **correctional services instead of a final action described**
 38 **in item (ii) or (iii);**
- 39 **(ii) convicted of a crime; or**
- 40 **(iii) adjudicated as a delinquent child or a child in need**
 41 **of services in a facility.**
- 42 **(H) A juvenile detention facility under IC 31-31-8.**

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(I) A juvenile detention center under IC 31-31-9.

(J) A county jail.

(K) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(L) A criminal justice or crime prevention system.

(M) Pension payments for any of the following:

(i) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(ii) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(iii) A county sheriff or any other member of the office of the county sheriff.

(iv) Other personnel employed to provide a service described in this section.

(10) "Resident county taxpayer", as it relates to a particular county, means any county taxpayer who resides in that county on the date specified in section 16 of this chapter.

(11) "Tax rate" refers to a county adjusted gross income tax rate imposed for the purposes of this section.

(12) "Total county tax levy" has the meaning set forth in IC 6-1.1-21-2.

(b) Subject to subsection (h), a county fiscal body may adopt an ordinance to establish a county adjusted gross income tax rate against the adjusted gross income of county taxpayers and corporations for the purposes of this section. The tax rate may be established in any increment of one hundredth percent (0.01%). The maximum tax rate imposed on resident county taxpayers may not exceed one percent (1%). The tax rate that is in effect for the nonresident county taxpayers of a county is one-fourth (1/4) of the tax rate imposed upon resident county taxpayers, rounded to the nearest one hundredth percent (0.01%). The tax rate that is in effect for corporations is the same as the tax rate imposed on resident county taxpayers of the county. A county taxpayer whose principal place of business or employment is a county other than the county in which the taxpayer is a resident county taxpayer is entitled to a credit against the county where the taxpayer is a county resident taxpayer. The amount of the credit is equal to the county adjusted gross income tax imposed under this section on the taxpayer's adjusted gross income in the county where the taxpayer

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has the taxpayer's principal place of business or employment. Notwithstanding section 2 of this chapter, an ordinance adopting a tax rate for the purposes of this section may be adopted in 2007 before July 1, 2007. An ordinance adopted in 2007 after March 31, 2007, and before June 1, 2007, takes effect July 1, 2007. An ordinance adopted in 2007 after May 31, 2007, takes effect August 1, 2007. For purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter;

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b); or

(3) the total county tax levy under IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5);

the county's adjusted gross income tax rate does not include the part of the county adjusted gross income tax rate levy imposed for the purposes of this section.

(c) At least sixty percent (60%) of the certified distribution attributable to the tax rate imposed on county taxpayers under this section, as specified in an ordinance, is allocated for the purposes of providing:

(1) a homestead credit percentage against the part of the net total county tax levy imposed by civil taxing units and school corporations on homesteads; or

(2) a property tax replacement credit percentage against the part of the net total county tax levy imposed by civil taxing units and school corporations on tangible property;

or both, as determined under the ordinance adopted by the county fiscal body. If an ordinance does not specify the percentage of a certified distribution that is to be used as credits, the county shall be treated as having elected to allocate sixty percent (60%) of a certified distribution for credits. One hundred percent (100%) of the certified distribution attributable to the tax rate imposed on corporations must be allocated for the purposes of providing a homestead credit percentage against the part of the net total county tax levy imposed by civil taxing units and school corporation on homesteads. A credit must be uniformly applied to all property eligible for the credit. If a county fiscal body establishes both a homestead credit and a property tax replacement credit for the same year, the ordinance must designate the percentage of the certified distribution that must be used for each credit. The county fiscal body may adopt, increase, decrease, or rescind the amount allocated to a particular credit using the

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procedures described in this chapter for the adoption, increase, decrease, or rescission of a county adjusted gross income tax.

(d) A taxpayer to which an ordinance under this section applies is entitled to a credit in each year in which a certified distribution is made to the county. The credit shall be applied after applying any credits granted in the county under IC 6-1.1-20.9, IC 6-1.1-21-5, sections 11 through 14 of this chapter, IC 6-3.5-7-23, and IC 6-3.5-7-26 and additional property tax relief from certified shares distributed under section 15 of this chapter. The credit is the percentage of property tax liability covered by the ordinance that is certified to the county auditor by the department of local government finance. The department of local government finance shall establish a credit percentage that the department of local government finance estimates will result in the granting of an aggregate total of credits for a year that is equal to the certified distribution that is allocated for the purposes of granting the credit.

(e) The county treasurer shall distribute the certified distribution in equal installments at the same time that distributions are made to civil taxing units under section 15 of this chapter. The certified distribution shall be allocated as follows:

(1) The part of the certified distribution for a year that is allocated to providing credits in the county shall be allocated to the civil taxing units and school corporations in the county in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of credits under this section.

(2) The part of the certified distribution for a year that is not allocated to providing credits shall be allocated to the civil taxing units in the county in proportion to the amount by which the amount budgeted by each civil taxing unit in the year for public safety personal services and other public safety operating expenses exceeds the amount expended for public safety personal services and other public safety operating expenses in 2007, as certified by the department of local government finance.

(f) An allocation under subsection (e)(1) shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing its budget and for purposes of the property tax levy limits imposed by IC 6-1.1-18.5, IC 20-45, or any other law. An allocation under subsection (e)(1) shall be apportioned among the funds of a civil

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1 taxing unit or school corporation in proportion to the part of the
 2 net total county tax levy that is imposed for each fund. If the
 3 aggregate total of credits granted in a county under this section in
 4 a particular year is less than the certified distribution for the year
 5 that is available for credits, the excess certified distribution
 6 allocated to a civil taxing unit or school corporation shall be
 7 allocated among the civil taxing units and school corporations in
 8 the county in proportion to the total county tax levy imposed by
 9 each civil taxing unit and school corporation and deposited in the
 10 civil taxing unit's or school corporation's excess levy fund for the
 11 purpose of being used in the same manner as excess levies
 12 deposited in the fund.

13 (g) An allocation under subsection (e)(2) shall be treated as
 14 additional revenue for the purpose of fixing a civil taxing unit's
 15 budget for the year in which the allocation will be received. The
 16 allocation under subsection (e)(2) may be appropriated and used
 17 only for expenditures for:

18 (1) personal services for public safety, including payments for
 19 salaries and wages to officers and employees of the civil taxing
 20 unit (either regular or temporary), payments for
 21 compensation awards, and the employer's share of Social
 22 Security, health insurance, life insurance, dental insurance,
 23 vision insurance, deferred compensation - employer match,
 24 leave conversion, disability, and retirement fund
 25 contributions; and

26 (2) other operating expenses for public safety, including
 27 payments for services other than personal services, services
 28 by contract, supplies, materials, and parts, grants, subsidies,
 29 refunds, awards, travel, machinery, implements, tools,
 30 furniture, or other equipment;

31 that exceed the amount expended for public safety personal
 32 services and other public safety operating expenses in 2007
 33 (excluding any amount paid from county economic development
 34 income taxes). If the total of all additional public safety
 35 expenditures and other public safety operating expenditures
 36 budgeted in a county in a particular year are less than the part of
 37 the certified distribution for the year that is available for
 38 distribution under subsection (e)(2), the excess shall be allocated
 39 among the civil taxing units and school corporations in the county
 40 in proportion to the amount distributed to the civil taxing unit or
 41 school corporation under subsection (e)(1) for deposit in the civil
 42 taxing unit's or school corporation's excess levy fund for the

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purpose of being used in the same manner as excess levies deposited in the fund. The tax rate may not be pledged for any purpose that would otherwise be permitted by IC 5-1-14 or another statute. A pledge of county adjusted gross income taxes does not apply to the certified distribution from a tax rate imposed for the purposes of this section.

(h) A county fiscal body may not adopt an ordinance under subsection (b) unless a tax imposed under this chapter is in effect in the county on the date the ordinance is adopted or is scheduled to take effect under section 2(c) of this chapter on July 1, 2007. Notwithstanding any law, a county may adopt an ordinance under section 2 of this chapter after March 31, but before June 1, 2007.

SECTION 35. IC 6-3.5-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

"Adjusted gross income" has the same definition that the term is given in IC 6-3-1-3.5 ~~However,~~ **except as follows:**

(1) In the case of a county taxpayer who is not treated as a resident county taxpayer of a county, the term includes only adjusted gross income derived from his principal place of business or employment.

(2) In the case of a corporation, the term means adjusted gross income derived from sources within Indiana multiplied by a fraction. The numerator of the fraction is the average value of the corporation's real and personal tangible property owned or rented and used in the county in the corporation's taxable year, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011). The denominator of the fraction is the average value of the corporation's real and personal tangible property owned or rented and used in Indiana in the corporation's taxable year, as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).

"Civil taxing unit" means any entity, except a school corporation, that has the power to impose ad valorem property taxes. The term does not include a solid waste management district that is not entitled to a distribution under section 1.3 of this chapter. However, in the case of a county in which a consolidated city is located, the consolidated city, the county, all special taxing districts, special service districts, included towns (as defined in IC 36-3-1-7), and all other political subdivisions except townships, excluded cities (as defined in IC 36-3-1-7), and

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1 school corporations shall be deemed to comprise one (1) civil taxing
2 unit whose fiscal body is the fiscal body of the consolidated city.

3 **"Corporation" does not include a corporation to the extent that**
4 **the corporation is exempt from state adjusted gross income tax**
5 **under IC 6-3-2-2.8.**

6 "County income tax council" means a council established by section
7 2 of this chapter.

8 "County taxpayer", as it relates to a particular county **and except as**
9 **provided in section 30 of this chapter**, means any individual:

10 (1) who resides in that county on the date specified in section 20
11 of this chapter; or

12 (2) who maintains his principal place of business or employment
13 in that county on the date specified in section 20 of this chapter
14 and who does not reside on that same date in another county in
15 which the county option income tax **(including any additional**
16 **rate imposed under section 30 of this chapter)**, the county
17 adjusted income tax **(including any additional rate imposed**
18 **under IC 6-3.5-1.1-24)**, or the county economic development
19 income tax is in effect.

20 "Department" refers to the Indiana department of state revenue.

21 "Fiscal body" has the same definition that the term is given in
22 IC 36-1-2-6.

23 **"Nonresident county taxpayer", as it relates to a county for a**
24 **year and except as provided in section 30 of this chapter, means**
25 **any county taxpayer for that county for that year who is not a**
26 **resident county taxpayer of that county for that year.**

27 "Resident county taxpayer", as it relates to a particular county,
28 means any county taxpayer who resides in that county on the date
29 specified in section 20 of this chapter.

30 "School corporation" has the same definition that the term is given
31 in IC 6-1.1-1-16.

32 **"Taxable property" means all tangible property that is subject**
33 **to the tax imposed by IC 6-1.1 and is not exempt from the tax**
34 **under IC 6-1.1-10 or any other law.**

35 SECTION 36. IC 6-3.5-6-8 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county
37 income tax council of any county in which the county adjusted gross
38 income tax will not be in effect on July 1 of a year under an ordinance
39 adopted during a previous calendar year may impose the county option
40 income tax on the adjusted gross income of county taxpayers of its
41 county effective July 1 of that same year.

42 (b) **Except as provided in sections 27, 28, 29, and 30 of this**

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chapter, the county option income tax may initially be imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) for all other county taxpayers.

(c) To impose the county option income tax, a county income tax council must, after January 1 but before April 1 of the year, pass an ordinance. The ordinance must substantially state the following:

"The _____ County Income Tax Council imposes the county option income tax on the county taxpayers of _____ County. The county option income tax is imposed at a rate of two-tenths of one percent (0.2%) on the resident county taxpayers of the county and at a rate of five hundredths of one percent (0.05%) on all other county taxpayers.

This tax takes effect July 1 of this year."

(d) If the county option income tax is imposed on the county taxpayers of a county, then the county option income tax rate that is in effect for resident county taxpayers of that county increases by one-tenth of one percent (0.1%) on each succeeding July 1 until the rate equals six-tenths of one percent (0.6%).

(e) The county option income tax rate in effect for the county taxpayers of a county who are not resident county taxpayers of that county is at all times one-fourth (1/4) of the tax rate imposed upon resident county taxpayers.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 37. IC 6-3.5-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) If on January 1 of a calendar year the county option income tax rate in effect for resident county taxpayers equals six tenths of one percent (0.6%), ~~then~~ **excluding any part of the tax rate imposed under section 27, 28, 29, or 30 of this chapter**, the county income tax council of that county may after January 1 and before April 1 of that year pass an ordinance to increase its tax rate for resident county taxpayers. If a county income tax council passes an ordinance under this section, its county option income tax rate for resident county taxpayers increases by one tenth of one percent (0.1%) each succeeding July 1 until its rate reaches a maximum of one percent (1%).

(b) The auditor of the county shall record any vote taken on an ordinance proposed under the authority of this section and immediately send a certified copy of the results to the department by certified mail.

SECTION 38. IC 6-3.5-6-11 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a) This**
 2 **section does not apply to the part of a county option income tax**
 3 **rate imposed under section 27, 28, 29, or 30 of this chapter.**

4 ~~(a)~~ **(b)** The county income tax council of any county may adopt an
 5 ordinance to permanently freeze the county option income tax rates at
 6 the rate in effect for its county on January 1 of a year.

7 ~~(b)~~ **(c)** To freeze the county option income tax rates, a county
 8 income tax council must, after January 1 but before April 1 of a year,
 9 adopt an ordinance. The ordinance must substantially state the
 10 following:

11 "The _____ County Income Tax Council permanently
 12 freezes the county option income tax rates at the rate in effect on
 13 January 1 of the current year."

14 ~~(c)~~ **(d)** An ordinance adopted under the authority of this section
 15 remains in effect until rescinded. The county income tax council may
 16 rescind such an ordinance after January 1 but before April 1 of any
 17 calendar year. Such an ordinance shall take effect July 1 of that same
 18 calendar year.

19 ~~(d)~~ **(e)** If a county income tax council rescinds an ordinance as
 20 adopted under this section, the county option income tax rate shall
 21 automatically increase by one-tenth of one percent (0.01%) until:

22 (1) the tax rate is again frozen under another ordinance adopted
 23 under this section; or

24 (2) the tax rate equals six tenths of one percent (0.6%) (if the
 25 frozen tax rate equaled an amount less than six tenths of one
 26 percent (0.6%)) or one percent (1%) (if the frozen tax rate equaled
 27 an amount in excess of six tenths of one percent (0.6%)).

28 ~~(e)~~ **(f)** The county auditor shall record any vote taken on an
 29 ordinance proposed under the authority of this section and immediately
 30 send a certified copy of the results to the department by certified mail.

31 SECTION 39. IC 6-3.5-6-12.5 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) The
 33 county income tax council may adopt an ordinance to decrease the
 34 county option income tax rate in effect.

35 (b) To decrease the county option income tax rate, the county
 36 income tax council must adopt an ordinance after January 1 but before
 37 April 1 of a year. The ordinance must substantially state the following:

38 "The _____ County Income Tax Council decreases the
 39 county option income tax rate from _____ percent (___ %)
 40 to _____ percent (___ %). This ordinance takes effect July
 41 1 of this year."

42 (c) A county income tax council may not decrease the county option

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income tax if the county or any commission, board, department, or authority that is authorized by statute to pledge the county option income tax has pledged the county option income tax for any purpose permitted by IC 5-1-14 or any other statute.

(d) An ordinance adopted under this subsection takes effect July 1 of the year in which the ordinance is adopted.

(e) The county auditor shall record the votes taken on an ordinance under this subsection and shall send a certified copy of the ordinance to the department by certified mail not more than thirty (30) days after the ordinance is adopted.

(f) **This subsection does not apply to an ordinance that decreases a county option income tax rate imposed under section 27, 28, 29, or 30 of this chapter.** Notwithstanding IC 6-3.5-7, a county income tax council that decreases the county option income tax in a year may not in the same year adopt or increase the county economic development income tax under IC 6-3.5-7.

SECTION 40. IC 6-3.5-6-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. If for any taxable year a county taxpayer **or corporation** is subject to different tax rates for the county option income tax imposed by a particular county, the taxpayer's county option income tax rate for that county and that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede July 1 by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow June 30 by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

SECTION 41. IC 6-3.5-6-17, AS AMENDED BY P.L.207-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) Revenue derived from the imposition of the county option income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of county option income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the

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determination is made; and
 (2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;
 as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), and (e). The department shall provide with the certification an informative summary of the calculations used to determine the certified distribution. **The department shall include with the certification information concerning the part of the certified distribution that is available for the purposes of section 30 of this chapter. The department shall certify to the department of local government finance the part of the certified distribution that is available in a county for credits under section 30 of this chapter at the same time that the department certifies the total certified distribution to the county auditor.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

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(e) This subsection applies to a county that:

(1) initially imposed the county option income tax; or

(2) increases the county option income tax rate;

under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (a)(1) through (a)(2) in the manner provided in subsection (c).

(f) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(g) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(h) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 42. IC 6-3.5-6-18, AS AMENDED BY P.L.162-2006, SECTION 31, AND AS AMENDED BY P.L.184-2006, SECTION 6, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

(1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;

(2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);

(3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;

(4) make payments permitted under IC 36-7-15.1-17.5;

(5) make payments permitted under subsection (i);

(6) make distributions of distributive shares to the civil taxing units of a county; and

(7) make the distributions permitted under ~~section~~ sections 27, 28, ~~and~~ 29, and 30 of this chapter.

(b) The county auditor shall retain from the payments of the county's

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certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, ~~or~~ 29, **or 30** of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

(1) The amount to be distributed as distributive shares during that month; multiplied by

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(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, **except section 30 of this chapter**, a county fiscal body may pledge revenues received under this chapter to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 43. IC 6-3.5-6-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Except as otherwise provided in subsection (b) and the other provisions of this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) deductions or exemptions from adjusted gross income;
- (5) remittances;
- (6) incorporation of the provisions of the Internal Revenue Code;
- (7) penalties and interest; and
- (8) exclusion of military pay credits for withholding;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted along with the employer's other withholding report.

(d) A corporation shall make estimated payments of the tax

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1 imposed under this chapter at the same time as estimated payments
2 are made under IC 6-3-4-4.1. Estimated payments shall be made in
3 the form and in the manner prescribed by the department.

4 SECTION 44. IC 6-3.5-6-26 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) **Subject to**
6 **section 30 of this chapter**, a pledge of county option income tax
7 revenues under this chapter is enforceable in accordance with
8 IC 5-1-14.

9 (b) With respect to obligations for which a pledge has been made
10 under this chapter, the general assembly covenants with the county and
11 the purchasers or owners of those obligations that this chapter will not
12 be repealed or amended in any manner that will adversely affect the tax
13 collected under this chapter as long as the principal of or interest on
14 those obligations is unpaid.

15 SECTION 45. IC 6-3.5-6-30 IS ADDED TO THE INDIANA CODE
16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
17 UPON PASSAGE]: Sec. 30. (a) **The definitions in IC 6-1.1-1,**
18 **IC 6-1.1-20.6, and IC 6-1.1-20.9 and the following definitions apply**
19 **throughout this section:**

20 (1) **"Credit"** refers to a credit against property tax liability of
21 taxpayers in a county that is established under this section.

22 (2) **"Certified distribution"** refers to the part of the total
23 certified distribution determined under section 17 of this
24 chapter for a county in a particular year that is attributable
25 to a tax rate imposed for the purposes of this section.

26 (3) **"County taxpayer"**, as it relates to a particular county,
27 means any individual:

28 (A) who resides in the county on the date specified in
29 section 20 of this chapter; or

30 (B) who maintains the individual's principal place of
31 business or employment in that county on the date
32 specified in section 20 of this chapter.

33 (4) **"Net total county tax levy"** means the part of the total
34 county tax levy imposed in a county on real property and
35 tangible personal property, excluding business personal
36 property (as defined in IC 6-1.1-21-2), for a particular year by
37 civil taxing units and the school corporations, determined
38 after subtracting the following:

39 (A) The eligible property tax replacement amount (as
40 defined in IC 6-1.1-21-2) for the county for that year.

41 (B) The amount of homestead credits provided under
42 IC 6-1.1-20.9 that is certified for the county under

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1 **IC 6-1.1-21-3.**

2 **(5) "Nonresident county taxpayer", as it relates to a county**
 3 **for a year, means any county taxpayer for that county for that**
 4 **year who is not a resident county taxpayer of that county for**
 5 **that year.**

6 **(6) "Ordinance" refers to an ordinance adopted to implement**
 7 **this section.**

8 **(7) "Property tax" refers to the ad valorem property taxes**
 9 **imposed by the taxing units in the county.**

10 **(8) "Property tax liability" means the tax liability, as**
 11 **described in IC 6-1.1-21-5, for the part of the net total county**
 12 **tax levy on which a credit is calculated under this section.**

13 **(9) "Public safety" refers to the following:**

14 **(A) A police and law enforcement system to preserve**
 15 **public peace and order.**

16 **(B) A firefighting and fire prevention system.**

17 **(C) Emergency ambulance services (as defined in**
 18 **IC 16-18-2-107), except as part of a levy for a county**
 19 **hospital under IC 16-22 or a municipal hospital under**
 20 **IC 16-23.**

21 **(D) Emergency medical services (as defined in**
 22 **IC 16-18-2-110), except as part of a levy for a county**
 23 **hospital under IC 16-22 or a municipal hospital under**
 24 **IC 16-23.**

25 **(E) Emergency action (as defined in IC 13-11-2-65).**

26 **(F) A probation department of a court.**

27 **(G) Confinement, supervision, services under a community**
 28 **corrections program (as defined in IC 35-38-2.6-2), or**
 29 **other correctional services for a person who has been:**

30 **(i) diverted before a final hearing or trial under an**
 31 **agreement that is between the county prosecuting**
 32 **attorney and the person or the person's custodian,**
 33 **guardian, or parent and that provides for confinement,**
 34 **supervision, community corrections services, or other**
 35 **correctional services instead of a final action described**
 36 **in item (ii) or (iii);**

37 **(ii) convicted of a crime; or**

38 **(iii) adjudicated as a delinquent child or a child in need**
 39 **of services in a facility.**

40 **(H) A juvenile detention facility under IC 31-31-8.**

41 **(I) A juvenile detention center under IC 31-31-9.**

42 **(J) A county jail.**

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(K) A communications system (as defined in IC 36-8-15-3) or an enhanced emergency telephone system (as defined in IC 36-8-16-2).

(L) A criminal justice or crime prevention system.

(M) Pension payments for any of the following:

(i) A member of the fire department (as defined in IC 36-8-1-8) or any other employee of a fire department.

(ii) A member of the police department (as defined in IC 36-8-1-9), a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by a police department.

(iii) A county sheriff or any other member of the office of the county sheriff.

(iv) Other personnel employed to provide a service described in this section.

(10) "Resident county taxpayer", as it relates to a particular county, means any county taxpayer who resides in that county on the date specified in section 20 of this chapter.

(11) "Tax rate" refers to a county option income tax rate imposed for the purposes of this section.

(12) "Total county tax levy" has the meaning set forth in IC 6-1.1-21-2.

(b) Subject to subsection (h), a county income tax council may adopt an ordinance to establish a county option income tax rate against the adjusted gross income of county taxpayers and corporations for the purposes of this section. The tax rate may be established in any increment of one hundredth percent (0.01%). The maximum tax rate on resident county taxpayers may not exceed one percent (1%). The tax rate that is in effect for nonresident county taxpayers of a county is one-fourth (1/4) of the tax rate imposed upon resident county taxpayers, rounded to the nearest one hundredth percent (0.01%). The tax rate that is in effect for corporations is the same as the tax rate imposed on resident county taxpayers of the county. A county taxpayer whose principal place of business or employment is a county other than the county in which the taxpayer is a resident county taxpayer is entitled to a credit against the county where the taxpayer is a county resident taxpayer. The amount of the credit is equal to the county option income tax imposed under this section on the taxpayer's adjusted gross income in the county where the taxpayer has the taxpayer's principal place of business or employment. Notwithstanding section 8 of this chapter, an ordinance adopting

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a tax rate for the purposes of this section may be adopted in 2007 before July 1, 2007. An ordinance adopted in 2007 after March 31, 2007, and before June 1, 2007, takes effect July 1, 2007. An ordinance adopted in 2007 after May 31, 2007, takes effect August 1, 2007. For purposes of computing the maximum income tax rate that may be imposed in a county under sections 8 and 9 of this chapter, the county's option income tax rate does not include that part of the county option income tax rate levy imposed for the purposes of this section.

(c) At least sixty percent (60%) of the certified distribution attributable to the tax rate imposed on county taxpayers under this section, as specified in an ordinance, is allocated for the purposes of providing:

(1) a homestead credit percentage against the part of the net total county tax levy imposed by civil taxing units and school corporations on homesteads; or

(2) a property tax replacement credit percentage against the part of the net total county tax levy imposed by civil taxing units and school corporations on tangible property;

or both, as determined under the ordinance adopted by the county option income tax council. If an ordinance does not specify the percentage of a certified distribution that is to be used as credits, the county shall be treated as having elected to allocate sixty percent (60%) of a certified distribution for credits. One hundred percent (100%) of the certified distribution attributable to the tax rate imposed on corporations must be allocated for the purposes of providing a homestead credit percentage against the part of the net total county tax levy imposed by civil taxing units and school corporation on homesteads. A credit must be uniformly applied to all property eligible for the credit. If a county income tax council establishes both a homestead credit and a property tax replacement credit for the same year, the ordinance must designate the percentage of the certified distribution that must be used for each credit. The county income tax council may adopt, increase, decrease, or rescind the amount allocated to a particular credit using the procedures described in this chapter for the adoption, increase, decrease, or rescission of a county option income tax.

(d) A taxpayer to which an ordinance under this section applies is entitled to a credit in each year in which a certified distribution is made to the county. The credit shall be applied after applying any credits granted in the county under IC 6-1.1-20.9, IC 6-1.1-21-5, section 13 of this chapter, IC 6-3.5-7-23, and

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1 IC 6-3.5-7-26. The credit is the percentage of property tax liability
 2 covered by the ordinance that is certified to the county auditor by
 3 the department of local government finance. The department of
 4 local government finance shall establish a credit percentage that
 5 the department of local government finance estimates will result in
 6 that granting of an aggregate total of credits for a year that is
 7 equal to the certified distribution that is allocated for the purposes
 8 of granting the credit.

9 (e) The county treasurer shall distribute the certified
 10 distribution in equal installments at the same time that
 11 distributions are made to civil taxing units under section 18(e) or
 12 18.5 of this chapter. The certified distribution shall be allocated as
 13 follows:

14 (1) The part of the certified distribution for a year that is
 15 allocated to providing credits in the county shall be allocated
 16 to the civil taxing units and school corporations in the county
 17 in such a manner that no civil taxing unit or school
 18 corporation will suffer a net revenue loss because of the
 19 allowance of credits under this section.

20 (2) The part of the certified distribution for a year that is not
 21 allocated to providing credits shall be allocated to the civil
 22 taxing units in the county in proportion to the amount by
 23 which the amount budgeted by each civil taxing unit in the
 24 year for public safety personal services and other public
 25 safety operating expenses exceeds the amount expended for
 26 public safety personal services and other public safety
 27 operating expenses in 2007, as certified by the department of
 28 local government finance.

29 (f) An allocation under subsection (e)(1) shall be treated as a
 30 part of the receiving civil taxing unit's or school corporation's
 31 property tax levy for that year for purposes of fixing its budget and
 32 for purposes of the property tax levy limits imposed by
 33 IC 6-1.1-18.5, IC 20-45, or any other law. An allocation under
 34 subsection (e)(1) shall be apportioned among the funds of a civil
 35 taxing unit or school corporation in proportion to the part of the
 36 net total county tax levy that is imposed for each fund. If the
 37 aggregate total of credits granted in a county in a particular year
 38 is less than the certified distribution for the year that is available
 39 for credits, the excess certified distribution allocated to a civil
 40 taxing unit or school corporation shall be deposited in the civil
 41 taxing unit's or school corporation's excess levy fund and be used
 42 in the same manner as excess levies deposited in the fund.

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(g) An allocation under subsection (e)(2) shall be treated as additional revenue for the purpose of fixing a civil taxing unit's budget for the year in which the allocation will be received. The allocation under subsection (e)(2) may be appropriated and used only for expenditures for:

(1) personal services for public safety, including payments for salaries and wages to officers and employees of the civil taxing unit (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - employer match, leave conversion, disability, and retirement fund contributions; and

(2) other operating expenses for public safety, including payments for services other than personal services, services by contract, supplies, materials, and parts, grants, subsidies, refunds, awards, travel, machinery, implements, tools, furniture, or other equipment;

that exceed the amount expended for public safety personal services and other public safety operating expenses in 2007 (excluding any amount paid from county economic development income taxes). If the total of all additional public safety expenditures and other public safety operating expenditures budgeted in a county in a particular year is less than the part of the certified distribution for the year that is available for distribution under subsection (e)(2), the excess shall be allocated among the civil taxing units and school corporations in the county in proportion to the amount distributed to the civil taxing unit or school corporation under subsection (e)(1) for deposit in the civil taxing unit's or school corporation's excess levy fund for the purpose of being used in the same manner as excess levies deposited in the fund. The tax rate may not be pledged for any purpose that would otherwise be permitted by IC 5-1-14 or another statute. A pledge of county adjusted gross income taxes does not apply to the certified distribution from a tax rate imposed for the purposes of this section.

(h) A county fiscal body may not adopt an ordinance under subsection (b) unless a tax imposed under this chapter is in effect in the county on the date the ordinance is adopted or is scheduled to take effect under section 8(c) of this chapter on July 1, 2007. Notwithstanding any law, a county income tax council in a county in which the county adjusted gross income tax is not in effect may

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adopt an ordinance under section 8 of this chapter after March 31, but before June 1, 2007.

SECTION 46. IC 6-3.5-7-5, AS AMENDED BY P.L.162-2006, SECTION 33, AND AS AMENDED BY P.L.184-2006, SECTION 8, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on January 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on January 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), ~~or~~ (s), ~~or~~ (v), **or (w)**, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), ~~or~~ (u), **or (w)**, the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but

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before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

(A) fifteen-hundredths percent (0.15%);

(B) two-tenths percent (0.2%); or

(C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one

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thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

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(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) *or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county*, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

(1) the actual county economic development tax rate; and

(2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the

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rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) *This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).*

(w) The income tax rate limits imposed by subsection (c) do not apply to:

(1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24; or

(2) a county option income tax rate imposed under IC 6-3.5-6-30.

For purposes of computing the maximum combined income tax rate under subsection (c) that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include that part of the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24 or the county option income tax rate levy imposed under IC 6-3.5-6-30.

SECTION 47. IC 6-3.5-7-13.1, AS AMENDED BY P.L.47-2006, SECTION 4, AND AS AMENDED BY P.L.137-2006, SECTION 11,

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1 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JANUARY 1, 2008]: Sec. 13.1. (a) The fiscal officer of
 3 each county, city, or town for a county in which the county economic
 4 development tax is imposed shall establish an economic development
 5 income tax fund. Except as provided in sections 23, 25, 26, and 27 of
 6 this chapter, the revenue received by a county, city, or town under this
 7 chapter shall be deposited in the unit's economic development income
 8 tax fund.

9 (b) Except as provided in sections 15, 23, 25, 26, and 27 of this
 10 chapter, revenues from the county economic development income tax
 11 may be used as follows:

12 (1) By a county, city, or town for economic development projects,
 13 for paying, notwithstanding any other law, under a written
 14 agreement all or a part of the interest owed by a private developer
 15 or user on a loan extended by a financial institution or other
 16 lender to the developer or user if the proceeds of the loan are or
 17 are to be used to finance an economic development project, for
 18 the retirement of bonds under section 14 of this chapter for
 19 economic development projects, for leases under section 21 of
 20 this chapter, or for leases or bonds entered into or issued prior to
 21 the date the economic development income tax was imposed if
 22 the purpose of the lease or bonds would have qualified as a
 23 purpose under this chapter at the time the lease was entered into
 24 or the bonds were issued.

25 (2) By a county, city, or town for:

26 (A) the construction or acquisition of, or remedial action with
 27 respect to, a capital project for which the unit is empowered to
 28 issue general obligation bonds or establish a fund under any
 29 statute listed in IC 6-1.1-18.5-9.8;

30 (B) the retirement of bonds issued under any provision of
 31 Indiana law for a capital project;

32 (C) the payment of lease rentals under any statute for a capital
 33 project;

34 (D) contract payments to a nonprofit corporation whose
 35 primary corporate purpose is to assist government in planning
 36 and implementing economic development projects;

37 (E) operating expenses of a governmental entity that plans or
 38 implements economic development projects;

39 (F) to the extent not otherwise allowed under this chapter,
 40 funding substance removal or remedial action in a designated
 41 unit; or

42 (G) funding of a revolving fund established under

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IC 5-1-14-14.

~~(3)~~ By a county, city, or town for any lawful purpose for which money in any of its other funds may be used:

~~(4)~~ (3) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision ~~(5)~~: (4).

~~(5)~~ (4) This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision ~~(4)~~ (3) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 for homesteads in the county, city, or town.

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(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

~~(6)~~ (5) This subdivision applies only in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision. A county or a city or town in the county may use county economic development income tax revenue to provide additional homestead credits in the county, city, or town. The following apply to additional homestead credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the additional homestead credits. The ordinance must:

(i) be adopted before September 1 of a year to apply to property taxes first due and payable in the following year; and

(ii) specify the amount of county economic development income tax revenue that will be used to provide additional homestead credits in the following year.

(B) A county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The additional homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 for homesteads in the county, city, or town.

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(D) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(E) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

~~(7)~~ (6) *For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.*

(7) *This subdivision applies only to a county:*

(A) *that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and*

(B) *in which:*

- (i) *the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and*
- (ii) *the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.*

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2

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before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under subdivision (8).

(8) This subdivision applies only to a county described in subdivision (7). Except as otherwise provided, the procedures and definitions in IC 6-1.1-20.9 apply to this subdivision. All of the tax revenue that results each year from a tax rate increase described in subdivision (7) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for additional homestead credits under this subdivision. The following apply to additional homestead credits provided under this subdivision:

(A) The additional homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 for homesteads in the county, city, or town.

(B) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(C) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

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1 (B) attract a major new business enterprise to the unit; or
 2 (C) retain or expand a significant business enterprise within
 3 the unit; and
 4 (2) involves an expenditure for:
 5 (A) the acquisition of land;
 6 (B) interests in land;
 7 (C) site improvements;
 8 (D) infrastructure improvements;
 9 (E) buildings;
 10 (F) structures;
 11 (G) rehabilitation, renovation, and enlargement of buildings
 12 and structures;
 13 (H) machinery;
 14 (I) equipment;
 15 (J) furnishings;
 16 (K) facilities;
 17 (L) administrative expenses associated with such a project,
 18 including contract payments authorized under subsection
 19 (b)(2)(D);
 20 (M) operating expenses authorized under subsection (b)(2)(E);
 21 or
 22 (N) to the extent not otherwise allowed under this chapter,
 23 substance removal or remedial action in a designated unit;
 24 or any combination of these.

25 ~~(d) If there are bonds outstanding that have been issued under~~
 26 ~~section 14 of this chapter or leases in effect under section 21 of this~~
 27 ~~chapter, a county, city, or town may not expend money from its~~
 28 ~~economic development income tax fund for a purpose authorized under~~
 29 ~~subsection (b)(3) in a manner that would adversely affect owners of the~~
 30 ~~outstanding bonds or payment of any lease rentals due.~~

31 SECTION 48. IC 8-14-9-10 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Subject to
 33 the limitations imposed by this section, the local county road and
 34 bridge board may issue bonds in the name of the qualified county for
 35 the benefit of the local county road and bridge district. The bonds shall
 36 be issued for the purpose of raising money to acquire lands or
 37 rights-of-way, and to pay for any capital improvement, necessary for
 38 the construction, reconstruction, or operation of roads or bridges, or
 39 both, within the district. The local county road and bridge board may
 40 appropriate the proceeds of the bonds.

41 (b) The amount of bonds to be issued may not exceed the estimated
 42 cost of:

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- (1) all lands and rights-of-way to be acquired;
- (2) capital improvements;
- (3) supervision and inspection fees during the period of construction or reconstruction;
- (4) programming, planning, and designing the capital improvements; and
- (5) all necessary expenses, including publication of notices, engineering fees, architectural fees, and legal fees, incurred in acquiring property, letting contracts, and selling bonds for the project.

The amount of bonds issued for the project may not exceed the estimated cost determined under section 5(b) of this chapter. In addition, the amount of outstanding bonds issued by a county under this chapter may not exceed two percent (2%) of the adjusted value of taxable property located within the local county road and bridge district as determined under IC 36-1-15.

(c) The local county road and bridge board may issue bonds under this chapter only if the issuance of those bonds has been approved by:

- (1) the county council of the qualified county; and
- (2) the department of local government finance as required by IC 6-1.1-18.5-8 **(as effective before June 30, 1984).**

(d) A local county road and bridge board may issue bonds under this chapter only if:

- (1) the county motor vehicle excise surtax (IC 6-3.5-4) and the county wheel tax (IC 6-3.5-5) are in effect in the county in which the local county road and bridge district is located;
- (2) the county motor vehicle excise surtax is being imposed at the maximum allowable rate; and
- (3) the county in which the local county road and bridge district is located has not obtained a loan under IC 8-14-8.

(e) No bonds may be issued under this section after June 30, 1984.

SECTION 49. IC 8-14-9-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. All bonds and interest on bonds issued under this chapter are exempt from taxation as provided under IC 6-8-5-1. All general laws relating to:

- (1) the filing of a petition requesting the issuance of bonds;
- (2) the right of taxpayers to remonstrate against the issuance of bonds;
- (3) the appropriation of the proceeds of the bonds and the approval of the appropriation by the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**; and

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(4) the sale of bonds at public sale for not less than par value; are applicable to proceedings under this chapter.

SECTION 50. IC 8-16-3.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. All contracts of lease may provide that a county has the option to purchase the bridge before the expiration of the lease contract, the terms and conditions of the purchase to be specified in the lease, subject to the approval of the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**. If the county has not exercised an option to purchase the property covered by the lease contract at the expiration of the lease contract, and upon the full discharge and performance by the county of its obligations under the lease contract, the bridge covered by the lease contract shall become the absolute property of the county and the lessor corporation shall execute proper instruments conveying to the county title to the property.

SECTION 51. IC 8-16-3.5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A county may, in anticipation of the construction of a bridge, make and enter into a contract of lease with the lessor corporation subject to the approval of the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**, prior to the actual acquisition of a site and the construction of the bridge, but the contract of lease shall not provide for the payment of any lease rental by the lessee until the bridge is completed and ready for use, at which time the stipulated lease rental may begin.

(b) As a condition of entering into a lease, a county may require a lessor corporation to furnish a bond in a specified amount conditioned upon the completion of the bridge within a specified period of time.

SECTION 52. IC 8-22-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The board may issue general obligation bonds of the authority for the purpose of procuring funds to pay the cost of acquiring real property, or constructing, enlarging, improving, remodeling, repairing, or equipping buildings, structures, runways, or other facilities, for use as or in connection with or for administrative purposes of the airport. The issuance of the bonds must be authorized by ordinance of the board providing for the amount, terms, and tenor of the bonds and for the time and character of notice and the mode of making sale. If one (1) airport is owned by the authority, an ordinance authorizing the issuance of bonds for a separate second airport is subject to approval as provided in this section. The bonds bear interest and are payable at the times and

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places that the board determines but running not more than twenty-five (25) years after the date of their issuance, and they must be executed in the name of the authority by the president of the board and attested by the secretary who shall affix to each of the bonds the official seal of the authority. The interest coupons attached to the bonds may be executed by placing on them the facsimile signature of the president of the board.

(b) The issuance of general obligation bonds must be approved by resolution of the following body:

(1) When the authority is established by an eligible entity, by its fiscal body.

(2) When the authority is established by two (2) or more eligible entities acting jointly, by the fiscal body of each of those entities.

(3) When the authority was established under IC 19-6-2, by the mayor of the consolidated city, and if a second airport is to be funded, also by the city-county council.

(4) When the authority was established under IC 19-6-3, by the county council.

(c) The airport director shall manage and supervise the preparation, advertisement, and sale of the bonds, subject to the authorizing ordinance. Before the sale of the bonds, the airport director shall cause notice of the sale to be published once each week for two (2) consecutive weeks in two (2) newspapers of general circulation published in the district, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest bidder, in accordance with the procedures for selling public bonds. After the bonds have been properly sold and executed, the airport director shall deliver them to the treasurer of the authority and take his receipt for them, and shall certify to the treasurer the amount which the purchaser is to pay for them, together with the name and address of the purchaser. On payment of the purchase price the treasurer shall deliver the bonds to the purchaser, and the treasurer and airport director or superintendent shall report their actions to the board.

(d) The provisions of IC 6-1.1-20 and IC 5-1 relating to the filing of a petition requesting the issuance of bonds and giving notice of them, the giving of notice of determination to issue bonds, the giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation, the approval of the appropriation by the ~~department of local government finance~~, **local government capital project property**

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tax control board under IC 6-1.1-17.5, the right of taxpayers to remonstrate against the issuance of bonds, and the sale of bonds at public sale for not less than par value are applicable to proceedings under this chapter for the issuance of general obligation bonds.

(e) Bonds issued under this chapter are not a corporate obligation or indebtedness of any eligible entity but are an indebtedness of the authority as a municipal corporation. An action to question the validity of the bonds issued or to prevent their issue must be instituted not later than the date set for sale of the bonds, and all of the bonds after that date are incontestable.

SECTION 53. IC 8-22-3.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An authority that is located in a:

(1) city having a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000);

(2) county having a population of more than one hundred five thousand (105,000) but less than one hundred ten thousand (110,000); or

(3) county having a population of more than three hundred thousand (300,000) but less than four hundred thousand (400,000);

may enter into a lease of an airport project with a lessor for a term not to exceed fifty (50) years and the lease may provide for payments to be made by the airport authority from property taxes levied under IC 8-22-3-17, taxes allocated under IC 8-22-3.5-9, any other revenues available to the airport authority, or any combination of these sources.

(b) A lease may provide that payments by the authority to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the authority or the eligible entity for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the authority only after a public hearing by the board at which all interested parties are provided the opportunity to be heard. After the public hearing, the board may adopt an ordinance authorizing the execution of the lease if it finds that the service to be provided throughout the term of the lease will serve the public purpose of the authority and is in the best interest of the residents of the authority district.

(d) Upon execution of a lease providing for payments by the authority in whole or in part from the levy of property taxes under IC 8-22-3-17, the board shall publish notice of the execution of the

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1 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 2 taxpayers residing in the authority district who will be affected by the
 3 lease and who may be of the opinion that no necessity exists for the
 4 execution of the lease or that the payments provided for in the lease are
 5 not fair and reasonable may file a petition in the office of the county
 6 auditor within thirty (30) days after the publication of the notice of
 7 execution and approval. The petition must set forth the petitioners'
 8 names, addresses, and objections to the lease and the facts showing that
 9 the execution of the lease is unnecessary or unwise or that the
 10 payments provided for in the lease are not fair and reasonable, as the
 11 case may be.

12 (e) Upon the filing of a petition under subsection (d), the county
 13 auditor shall immediately certify a copy of the petition, together with
 14 any other data necessary to present the questions involved, to the
 15 ~~department of local government finance~~ **local government capital**
 16 **project property tax control board under IC 6-1.1-17.5**. Upon
 17 receipt of the certified petition and information, the ~~department of local~~
 18 ~~government finance~~ **local government capital project property tax**
 19 **control board under IC 6-1.1-17.5** shall fix a time and place for a
 20 hearing in the authority district, which must be not less than five (5) or
 21 more than thirty (30) days after the time is fixed. Notice of the hearing
 22 shall be given by the ~~department of local government finance~~ **local**
 23 **government capital project property tax control board** to the
 24 members of the board, and to the first fifty (50) petitioners on the
 25 petition, by a letter signed by one (1) member of the ~~state board of tax~~
 26 ~~commissioners~~ **local government capital project property tax**
 27 **control board** and enclosed with fully prepaid postage sent to those
 28 persons at their usual place of residence, at least five (5) days before
 29 the date of the hearing. The decision of the ~~department of local~~
 30 ~~government finance~~ **local government capital project property tax**
 31 **control board** on the appeal, upon the necessity for the execution of
 32 the lease, and as to whether the payments under it are fair and
 33 reasonable, is final.

34 (f) An authority entering into a lease payable from any sources
 35 permitted under this chapter may:

36 (1) pledge the revenue to make payments under the lease pursuant
 37 to IC 5-1-14-4; or

38 (2) establish a special fund to make the payments.

39 (g) Lease rentals may be limited to money in the special fund so that
 40 the obligations of the airport authority to make the lease rental
 41 payments are not considered debt of the unit or the district for purposes
 42 of the Constitution of the State of Indiana.

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(h) Except as provided in this section, no approvals of any governmental body or agency are required before the authority enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the later of:

(1) the public hearing described in subsection (c); or

(2) the publication of the notice of the execution and approval of the lease described in subsection (d), if the lease is payable in whole or in part from tax levies.

However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~department of local government finance~~, **local government capital project property tax control board**, an action to contest the validity or enjoin the performance must be brought within thirty (30) days after the decision of the ~~department of local government finance~~. **local government capital project property tax control board**.

(j) If an authority exercises an option to buy an airport project from a lessor, the authority may subsequently sell the airport project, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the authority through auction, appraisal, or arms length negotiation. If the airport project is sold at auction, after appraisal, or through negotiation, the board shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days of the hearing.

SECTION 54. IC 12-19-5-1, AS AMENDED BY P.L.234-2005, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) In addition to the other method of welfare financing provided by this article, the department may conduct a public hearing to determine whether to recommend to a county to borrow money under this chapter on a short term basis to fund:

~~(1) child services under IC 12-19-7-1;~~

~~(2) (1) children's psychiatric residential treatment services under IC 12-19-7.5; or~~

~~(3) (2) other welfare services in the county payable from the family and children's fund or the children's psychiatric residential treatment services fund;~~

if the department determines that ~~the family and children's fund or the children's psychiatric residential treatment services fund~~ will be exhausted before the end of a fiscal year.

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(b) In the ~~the~~ hearing, the department must present facts that show the following:

(1) That the amount of money in ~~the family and children's fund or~~ the children's psychiatric residential treatment services fund will be insufficient to fund the appropriate services within the county under this article.

(2) The amount of money that the department estimates will be needed to fund that deficit.

SECTION 55. IC 12-19-5-9, AS AMENDED BY P.L.234-2005, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. The department or a county fiscal body may not do the following:

(1) Recommend or approve a request to borrow money made under this chapter unless the body determines that the ~~family and children's fund or~~ the children's psychiatric residential treatment services fund will be exhausted before the particular fund can fund all county obligations incurred under this article.

(2) Recommend or approve a loan that will exceed the amount of the estimated deficit.

SECTION 56. IC 12-19-7-3, AS AMENDED BY P.L.234-2005, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) A family and children's fund is established in each county. ~~The fund shall be raised by a separate tax levy (the county family and children property tax levy) that:~~

~~(1) is in addition to all other tax levies authorized; and~~

~~(2) shall be levied annually by the county fiscal body on all taxable property in the county in the amount necessary to raise the part of the fund that the county must raise to pay the items, awards, claims, allowances, assistance, and other expenses set forth in the annual budget under section 6 of this chapter.~~

~~(b) The tax imposed under this section shall be collected as other state and county ad valorem taxes are collected.~~

~~(c) (b)~~ The following shall be paid into the county treasury and constitute the family and children's fund:

(1) All receipts from the tax imposed under ~~this section 4 of this chapter.~~

(2) All grants-in-aid, whether received from the federal government or state government.

(3) The amount distributed to a county auditor under section 35 of this chapter for the purpose of paying for child services.

~~(4) (4)~~ Any other money required by law to be placed in the fund.

~~(d) (c)~~ The fund is available for the purpose of paying expenses and

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obligations set forth in the annual budget that is submitted and approved.

~~(e)~~ **(d)** Money in the fund at the end of a budget year does not revert to the county general fund.

SECTION 57. IC 12-19-7-4, AS AMENDED BY P.L.234-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) For taxes first due and payable in each year after ~~2005~~, **2007**, each county shall impose a county family and ~~children~~ **children's fund** property tax levy **for the next fiscal year** equal to the ~~county family and children property tax levy necessary to pay the costs of the child services of the county for the next fiscal year.~~ **amount determined under subsection (b), as certified by the department of local government finance.**

(b) ~~A county shall annually impose under subsection (a) the department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy and comply with IC 6-1.1-17-3.~~ **lessor of the amount determined under subsection (c) or (d).**

(c) The amount determined under STEP TWO of the following formula shall be determined for each county:

STEP ONE: Determine the costs incurred by the county for child services in 2005 that were paid from property taxes (including any balance in the county family and children's fund on January 1, 2005, that was derived from property taxes) or the proceeds of any bond, loan, or transfer from another fund.

STEP TWO: Determine the greater of zero (0) or the result determined by subtracting from the STEP ONE amount any part of the costs described in STEP ONE that were reimbursed from grants, fees, or other charges before July 1, 2007.

(d) The amount determined under STEP TWO of the following formula shall be determined for each county:

STEP ONE: Determine the cost incurred by the county for child services in 2007 that were paid from property taxes (including any balance in the county family and children's fund on January 1, 2007, that was derived from property taxes) or the proceeds of any bond, loan, or transfer from another fund.

STEP TWO: Determine the greater of zero (0) or the result determined by subtracting from the STEP ONE amount any part of the costs described in STEP ONE that were

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reimbursed from grants, fees, or other charges before January 30, 2008.

(e) Not later than August 1, 2007, the department of local government finance, with the assistance of the department of child services and the budget agency, shall certify to each county auditor and the budget agency the amount determined for the county under subsection (c) and an estimate of the amount to be determined for the county under subsection (d). The department of local government finance shall certify the actual amount determined under subsection (d) before February 16, 2008, to each county auditor and the budget agency. The department of local government finance may correct any error in the certified amount by recertifying the amount to the county auditor. The latest amount certified to a county auditor and the budget agency shall be levied in the county in each year following the year in which the amount is certified.

SECTION 58. IC 12-19-7-9, AS AMENDED BY P.L.234-2005, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. The budget ~~and the tax levy~~ recommended by the department shall be:

- (1) certified to the county auditor; **and**
- (2) filed for consideration by the county fiscal body. ~~and~~
- ~~(3) filed with the department of local government finance.~~

SECTION 59. IC 12-19-7-11, AS AMENDED BY P.L.234-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. In September of each year, at the time provided by law, the county fiscal body shall do the following:

- (1) Make the appropriations out of the family and children's fund that are:
 - (A) based on the budget as submitted; and
 - (B) necessary to pay the child services of the county for the next fiscal year.
- (2) Levy a tax in ~~an~~ **the** amount ~~necessary equal to produce the appropriated money.~~ **amount required under section 4 of this chapter.**

SECTION 60. IC 12-19-7-15, AS AMENDED BY P.L.234-2005, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 15. (a) If at any time the department determines that the family and children's fund is exhausted or will be exhausted before the close of a fiscal year, the department shall prepare an estimate and statement showing the amount of money, in addition to the money already made available, that will be necessary to defray

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the expenses of the department and pay the obligations of the department, excluding administrative expenses and facilities, supplies, and equipment expenses for the department, in the administration of the department's activities for the unexpired part of the fiscal year.

(b) The department shall do the following:

(1) Certify the estimate and statement to the county executive.

(2) File the estimate and statement with the county auditor.

~~(3) File the estimate and statement with the department of local government finance.~~

SECTION 61. IC 12-19-7-16, AS AMENDED BY P.L.234-2005, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16. ~~(a)~~ The county executive shall consider and **act adopt a supplemental budget appropriation** upon an estimate and statement under section 15 of this chapter at:

(1) the county executive's regular session immediately following the filing of the estimate and statement; or

(2) a special session that is:

(A) called for the purpose of considering and acting upon the estimate and statement; and

(B) called before the executive's regular session described in subdivision (1);

without giving the notice and conducting the public hearing otherwise required under IC 6-1.1-18-5. Approval of the supplemental budget appropriation by the department of local government finance is not required.

(b) The county executive shall, for and on behalf of the county, borrow sufficient money to carry out the purposes described in section ~~15~~ of this chapter if after consideration of the estimate and statement the county executive finds the following:

~~(1) That the department has not certified a recommendation to borrow money under IC 12-19-5.~~

(2) That the amount of money required, in addition to any money already available, to defray the expenses and pay the obligations of the department in the administration of the county's child services for the unexpired part of the fiscal year, is greater than the amount of money that may be advanced from the general fund of the county.

(c) If the county executive fails to borrow sufficient money to carry out the purposes under section ~~15~~ of this chapter either under this chapter or IC ~~12-19-5~~, the department may appeal to the department of local government finance for a determination. A copy of the appeal must be filed with the county fiscal body. The department of local

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government finance shall immediately conduct a hearing in the county on an appeal filed under this subsection. If the department determines that insufficient money is available to carry out the purposes under section 15 of this chapter, the department of local government finance shall issue an appropriate order. The order may allow the county to reduce its general fund budget and transfer sufficient money to the fund or require the county to borrow money for the fund to carry out the purposes under section 15 of this chapter.

SECTION 62. IC 12-19-7-35 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 35. The department shall, on the schedule determined by the budget agency, distribute to a county auditor for deposit in the fund the greater of zero (0) or the result of:**

- (1) the amount appropriated for child services for the year under sections 11 and 16 of this chapter; minus
- (2) the balance in the fund derived from other sources, including:
 - (A) the property tax levy for the fund;
 - (B) excise taxes deposited in the fund based on the amount of the property tax levy for the fund; and
 - (C) amounts deposited in the fund from grants, fees, and charges.

Advance distributions under this section shall be made in a manner and on a schedule that avoids the necessity for a county to transfer money to the fund from another fund or to issue bonds or enter into loans to pay the cost of child services as the obligations become due.

SECTION 63. IC 12-29-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

- (1) The filing of a petition requesting the issuance of bonds.
- (2) The giving of notice of the following:
 - (A) The filing of the petition requesting the issuance of the bonds.
 - (B) The determination to issue bonds.
 - (C) A hearing on the appropriation of the proceeds of the bonds.
- (3) The right of taxpayers to appear and be heard on the proposed appropriation.
- (4) The approval of the appropriation by the department of local

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~~government finance.~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 64. IC 12-29-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) A hearing on the appropriation of the proceeds of the bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~department of local government finance.~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 65. IC 13-18-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If the offender is a municipal corporation, the cost of:

(1) acquisition, construction, repair, alteration, or extension of the necessary plants, machinery, or works; or

(2) taking other steps that are necessary to comply with the order; shall be paid out of money on hand available for these purposes or out of the general money of the municipal corporation not otherwise appropriated.

(b) If there is not sufficient money on hand or unappropriated, the necessary money shall be raised by the issuance of bonds. The bond issue is subject only to the approval of the ~~department of local government finance.~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

SECTION 66. IC 14-27-6-40 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 40. The provisions of IC 5-1 and IC 6-1.1-20 relating to the following apply to proceedings under this chapter:

(1) The filing of a petition requesting the issuance of bonds and giving notice of the petition.

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(2) The giving of notice of determination to issue bonds.

(3) The giving of notice of hearing on the appropriation of the proceeds of bonds and the right of taxpayers to appeal and be heard on the proposed appropriation.

(4) The approval of the appropriation by the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5.**

(5) The right of taxpayers to remonstrate against the issuance of bonds.

(6) The sale of bonds at public sale for not less than the par value.

SECTION 67. IC 16-22-8-43 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 43. (a) The board may issue general obligation bonds of the corporation to procure funds to pay the cost of acquiring real property or constructing, enlarging, improving, remodeling, repairing, or equipping buildings and other structures for use as or in connection with hospitals, clinics, health centers, dispensaries, or for administrative purposes. The issuance of the bonds shall be authorized by ordinance of the board providing for the amount, terms, and tenor of the bonds, for the time and character of notice, and the mode of making the sale. The bonds shall be payable not more than forty (40) years after the date of issuance and shall be executed in the name of the corporation by the chairman of the board and attested by the executive director, who shall affix to each of the bonds the official seal of the corporation. The interest coupons attached to the bonds may be executed by facsimile signature of the chairman of the board.

(b) The executive director shall manage and supervise the preparation, advertisement, and sale of bonds, subject to the provisions of the authorizing ordinance. Before the sale of the bonds, the executive director shall publish notice of the sale in accordance with IC 5-3-1, setting out the time and place where bids will be received, the amount and maturity dates of the issue, the maximum interest rate, and the terms and conditions of sale and delivery of the bonds. The bonds shall be sold to the highest and best bidder. After the bonds have been sold and executed, the executive director shall deliver the bonds to the treasurer of the corporation and take the treasurer's receipt, and shall certify to the treasurer the amount that the purchaser is to pay, together with the name and address of the purchaser. On payment of the purchase price, the treasurer shall deliver the bonds to the purchaser, and the treasurer and executive director shall report the actions to the board.

(c) IC 5-1 and IC 6-1.1-20 apply to the following proceedings:

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(1) Notice and filing of the petition requesting the issuance of the bonds.

(2) Notice of determination to issue bonds.

(3) Notice of hearing on the appropriation of the proceeds of the bonds and the right of taxpayers to appeal and be heard.

(4) Approval by the ~~department of local government finance.~~
local government capital project property tax control board under IC 6-1.1-17.5.

(5) The right to remonstrate.

(6) Sale of bonds at public sale for not less than the par value.

(d) The bonds are the direct general obligations of the corporation and are payable out of unlimited ad valorem taxes levied and collected on all the taxable property within the county of the corporation. All officials and bodies having to do with the levying of taxes for the corporation shall see that sufficient levies are made to meet the principal and interest on the bonds at the time fixed for payment.

(e) The bonds are exempt from taxation for all purposes but the interest is subject to the adjusted gross income tax.

SECTION 68. IC 16-23-1-39 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39. (a) This section applies to the county fiscal body of a county in which a city hospital is located and maintained.

(b) The county fiscal body may issue and sell bonds and appropriate money, if the fiscal body finds the following:

(1) An emergency exists.

(2) To meet the medical needs of the county residents living inside and outside the corporate limits of the city it is necessary to aid in the following:

(A) The construction, improvement, repair, or remodeling of hospital buildings and grounds.

(B) The construction of an extension or addition to the hospital.

(C) The acquisition of real property for the hospital.

(3) An appropriation of county funds, borrowing of money, and issuance and sale of bonds by the county are in the best interests of all the citizens of the county.

(c) The county fiscal body may issue and sell bonds and appropriate the proceeds to meet the emergency:

(1) without regard to whether the city in which the hospital is located has issued and sold bonds for these purposes or contemplates the issuance and sale of bonds;

(2) as other county bonds are issued and sold under statute; and

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(3) subject to approval of the ~~department of local government finance~~. **local government capital project property tax control board under IC 6-1.1-17.5.**

(d) The principal derived from the sale of the bonds, upon due appropriation by the county according to statute, shall be paid to the clerk-treasurer of the city to assist in paying the cost of the improvement, repair, remodeling, or construction project of the hospital or for the acquisition of real property, without reappropriation by the fiscal body of the city.

SECTION 69. IC 36-1-10-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A political subdivision or agency owning a structure with respect to which its revenue bonds are outstanding may, to refinance those bonds, convey the structure to the lessor in fee simple and lease it from the lessor in accordance with this chapter, subject to the approval of the ~~department of local government finance~~. **local government capital project property tax control board under IC 6-1.1-17.5.**

(b) The price of a purchase under this section must be at least the sum of:

- (1) the principal amount of the outstanding revenue bonds;
- (2) interest on those bonds to the maturity date of bonds not subject to redemption before maturity and to the first redemption date of bonds subject to redemption before maturity; and
- (3) the redemption premiums on all bonds subject to redemption before maturity.

An amount not less than this sum shall be deposited in trust for the payment of the outstanding revenue bonds in a manner consistent with the ordinance or trust agreement under which the bonds were issued. The money deposited in the trust, and investment income from it, not required for the payment of the bonds, shall be applied to the payment of the obligations issued by the lessor for the acquisition of the structure, and to a corresponding reduction of rentals for the leasing agent.

(c) Each lease entered into under this section must include an option permitting the political subdivision or agency to purchase the structure at a price not exceeding the amount required to retire all outstanding obligations issued by the lessor to acquire the property covered by the lease. The lease and sale of a parking facility under this section does not preclude the lease of air rights.

SECTION 70. IC 36-1-15-3, AS AMENDED BY P.L.2-2006, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The department of local

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government finance shall compute, ~~in conjunction for use~~ with the approvals required under:

(1) IC 6-1.1-18.5-8(b); and

(2) IC 20-46-7-8, IC 20-46-7-9, and IC 20-46-7-10;

an adjusted value of the taxable property within each political subdivision. The department of local government finance may request a certification of net assessed valuation from the county auditor in order to make a calculation under this section.

SECTION 71. IC 36-1-18 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]:

Chapter 18. Local Judicial Mandate Levy

Sec. 1. This chapter applies to all units.

Sec. 2. As used in this chapter, "capital costs " means any of the following:

(1) All or any part of the cost of construction, extension, enlargement, addition, replacement, improvement, renovation, and acquisition of all lands, structures, and real or personal property related to a project.

(2) All or any part of the cost of leasing real or personal property or acquiring rights, rights-of-way, franchises, easements, and interests in real, personal, or intangible property for a project.

(3) The cost of demolishing or removing any buildings or structures on acquired land that is related to a project, including the cost of acquiring any lands to which the buildings or structures may be moved.

(4) The cost of acquiring or obtaining the right to use machinery and equipment.

(5) Financing charges and interest before, during, and for a period not exceeding one (1) year after the estimated date of completion of a project.

(6) Reserves for debt service and for extensions, enlargements, additions, replacements, renovations, and improvements related to a project.

(7) Costs of architectural, engineering, trustee, financial, legal, and related services related to a project.

(8) Costs of an action by underwriters related to a project.

(9) Costs of plans, specifications, studies, surveys, and estimates of cost and of revenues related to a project.

(10) Administrative expenses and expenses necessary or incident to determining the feasibility or practicability of

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undertaking a project.

(11) Other expenses as may be necessary or incident to undertaking or financing a project.

Sec. 3. As used in this chapter, "financing costs" includes the cost of the issuance of bonds, notes, or other obligations.

Sec. 4. As used in this chapter, "levy" refers to an ad valorem property tax levy that is imposed under this chapter.

Sec. 5. As used in this chapter, "operating costs" refers to:

(1) the costs to a unit of complying with:

(A) safety;

(B) health;

(C) space;

(D) heat; or

(E) lighting;

standards required by state or federal law, rules, or regulations applicable to a project;

(2) other physical operation costs that are directly related to a project; and

(3) salaries and other personal services expenditures directly related to a project.

Sec. 6. As used in this chapter, "project" means an expenditure that is required by a court order holding that:

(1) a federal law, including the federal Americans with Disabilities Act, mandates the project;

(2) the project is necessary to bring a county jail or other detention facility into compliance with federal construction or operating standards, American Correctional Association Jail Construction Standards, or Indiana jail construction or operation standards adopted by the department of correction; or

(3) the project is necessary to bring a juvenile detention center into compliance with federal, department of correction, or American Correctional Association standards for the construction or operation of juvenile detention facilities.

Sec. 7. A unit may impose a local judicial mandate levy to pay the capital costs of a project and financing costs incurred to pay capital costs for a project. A local judicial mandate levy under this section shall be imposed, deposited, appropriated, and expended in the same manner as a levy for a debt service fund, sinking fund, or cumulative fund. However, the local judicial mandate levy shall be advertised and stated on tax statements separately from other levies. A levy under this section is not part of the total county tax

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levy (as defined in IC 6-1.1-21-2) for purposes of IC 6-1.1-21.

Sec. 8. A unit may impose a local judicial mandate levy to pay for an increase in operating costs resulting from a project. A local judicial mandate levy under this section shall be imposed, deposited, appropriated, and expended in the same manner as a levy for the unit's general fund. However, the local judicial mandate levy shall be advertised and stated on tax statements separately from other levies. A levy under this section is part of the total county tax levy (as defined in IC 6-1.1-21-2) for purposes of IC 6-1.1-21.

SECTION 72. IC 36-3-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section applies whenever a special taxing district of the consolidated city has the power to issue bonds, notes, or warrants.

(b) Before any bonds, notes, or warrants of a special taxing district may be issued, the issue must be approved by resolution of the legislative body of the consolidated city.

(c) Any bonds of a special taxing district must be issued in the manner prescribed by statute for that district, and the board of the department having jurisdiction over the district shall:

- (1) hold all required hearings;
- (2) adopt all necessary resolutions; and
- (3) appropriate the proceeds of the bonds;

in that manner. However, the legislative body shall levy each year the special tax required to pay the principal of and interest on the bonds and any bank paying charges.

(d) Notwithstanding any other statute, bonds of a special taxing district may:

- (1) be dated;
- (2) be issued in any denomination;
- (3) mature at any time or times not exceeding fifty (50) years after their date; and
- (4) be payable at any bank or banks;

as determined by the board. The interest rate or rates that the bonds will bear must be determined by bidding, notwithstanding IC 5-1-11-3.

(e) Bonds of a special taxing district are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds and giving notice of the petition, the giving of notice of a hearing on the appropriation of the proceeds of bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the ~~department of local government finance~~, **local government capital project property tax control**

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1 **board under IC 6-1.1-17.5**, the right of taxpayers to remonstrate
2 against the issuance of bonds, and the sale of bonds at public sale.

3 SECTION 73. IC 36-5-2-11 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The
5 legislative body may issue bonds for the purpose of procuring money
6 to be used in the exercise of the powers of the town and for the
7 payment of town debts. However, a town may not issue bonds to
8 procure money to pay current expenses.

9 (b) Bonds issued under this section are payable in the amounts and
10 at the times determined by the legislative body.

11 (c) Bonds issued under this section are subject to the provisions of
12 IC 5-1 and IC 6-1.1-20 relating to the filing of a petition requesting the
13 issuance of bonds and giving notice of the petition, the giving of notice
14 of a hearing on the appropriation of the proceeds of bonds, the right of
15 taxpayers to appear and be heard on the proposed appropriation, the
16 approval of the appropriation by the ~~department of local government~~
17 **finance; local government capital project property tax control**
18 **board under IC 6-1.1-17.5**, the right of taxpayers to remonstrate
19 against the issuance of bonds, and the sale of bonds at public sale for
20 not less than their par value.

21 (d) The legislative body may, by ordinance, make loans of money
22 for not more than five (5) years and issue notes for the purpose of
23 refunding those loans. The loans may be made only for the purpose of
24 procuring money to be used in the exercise of the powers of the town,
25 and the total amount of outstanding loans under this subsection may not
26 exceed five percent (5%) of the town's total tax levy in the current year
27 (excluding amounts levied to pay debt service and lease rentals). Loans
28 under this subsection shall be made as follows:

29 (1) The ordinance authorizing the loans must pledge to their
30 payment a sufficient amount of tax revenues over the ensuing five
31 (5) years to provide for refunding the loans.

32 (2) The loans must be evidenced by notes of the town in terms
33 designating the nature of the consideration, the time and place
34 payable, and the revenues out of which they will be payable.

35 (3) The interest accruing on the notes to the date of maturity may
36 be added to and included in their face value or be made payable
37 periodically, as provided in the ordinance.

38 Notes issued under this subsection are not bonded indebtedness for
39 purposes of IC 6-1.1-18.5.

40 SECTION 74. IC 36-6-8-5 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) When
42 performing the real property reassessment duties prescribed by

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1 IC 6-1.1-4, a township assessor may receive per diem compensation,
 2 in addition to salary, at a rate fixed by the county fiscal body, for each
 3 day that ~~he~~ **the township assessor** is engaged in reassessment
 4 activities, including service on the county land valuation commission.

5 (b) Subsection (a) applies regardless of whether **the county**
 6 **assessor contracts for** professional assessing services ~~are provided to~~
 7 ~~a for the township. under contract.~~

8 SECTION 75. IC 36-7-14-25.1, AS AMENDED BY P.L.185-2005,
 9 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 UPON PASSAGE]: Sec. 25.1. (a) In addition to other methods of
 11 raising money for property acquisition or redevelopment in a
 12 redevelopment project area, and in anticipation of the special tax to be
 13 levied under section 27 of this chapter, the taxes allocated under
 14 section 39 of this chapter, or other revenues of the district, or any
 15 combination of these sources, the redevelopment commission may, by
 16 resolution and subject to subsection (p), issue the bonds of the special
 17 taxing district in the name of the unit. The amount of the bonds may
 18 not exceed the total, as estimated by the commission, of all expenses
 19 reasonably incurred in connection with the acquisition and
 20 redevelopment of the property, including:

- 21 (1) the total cost of all land, rights-of-way, and other property to
- 22 be acquired and redeveloped;
- 23 (2) all reasonable and necessary architectural, engineering, legal,
- 24 financing, accounting, advertising, bond discount, and
- 25 supervisory expenses related to the acquisition and redevelopment
- 26 of the property or the issuance of bonds;
- 27 (3) capitalized interest permitted by this chapter and a debt
- 28 service reserve for the bonds to the extent the redevelopment
- 29 commission determines that a reserve is reasonably required; and
- 30 (4) expenses that the redevelopment commission is required or
- 31 permitted to pay under IC 8-23-17.

32 (b) If the redevelopment commission plans to acquire different
 33 parcels of land or let different contracts for redevelopment work at
 34 approximately the same time, whether under one (1) or more
 35 resolutions, the commission may provide for the total cost in one (1)
 36 issue of bonds.

37 (c) The bonds must be dated as set forth in the bond resolution and
 38 negotiable, subject to the requirements of the bond resolution for
 39 registering the bonds. The resolution authorizing the bonds must state:

- 40 (1) the denominations of the bonds;
- 41 (2) the place or places at which the bonds are payable; and
- 42 (3) the term of the bonds, which may not exceed fifty (50) years.

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1 The resolution may also state that the bonds are redeemable before
2 maturity with or without a premium, as determined by the
3 redevelopment commission.

4 (d) The redevelopment commission shall certify a copy of the
5 resolution authorizing the bonds to the municipal or county fiscal
6 officer, who shall then prepare the bonds, subject to subsection (p). The
7 seal of the unit must be impressed on the bonds, or a facsimile of the
8 seal must be printed on the bonds.

9 (e) The bonds must be executed by the appropriate officer of the
10 unit, and attested by the municipal or county fiscal officer.

11 (f) The bonds are exempt from taxation for all purposes.

12 (g) The municipal or county fiscal officer shall give notice of the
13 sale of the bonds by publication in accordance with IC 5-3-1. The
14 municipal fiscal officer, or county fiscal officer or executive, shall sell
15 the bonds to the highest bidder, but may not sell them for less than
16 ninety-seven percent (97%) of their par value. However, bonds payable
17 solely or in part from tax proceeds allocated under section 39(b)(2) of
18 this chapter, or other revenues of the district may be sold at a private
19 negotiated sale.

20 (h) Except as provided in subsection (i), a redevelopment
21 commission may not issue the bonds when the total issue, including
22 bonds already issued and to be issued, exceeds two percent (2%) of the
23 adjusted value of the taxable property in the special taxing district, as
24 determined under IC 36-1-15.

25 (i) The bonds are not a corporate obligation of the unit but are an
26 indebtedness of the taxing district. The bonds and interest are payable,
27 as set forth in the bond resolution of the redevelopment commission:

28 (1) from a special tax levied upon all of the property in the taxing
29 district, as provided by section 27 of this chapter;

30 (2) from the tax proceeds allocated under section 39(b)(2) of this
31 chapter;

32 (3) from other revenues available to the redevelopment
33 commission; or

34 (4) from a combination of the methods stated in subdivisions (1)
35 through (3).

36 If the bonds are payable solely from the tax proceeds allocated under
37 section 39(b)(2) of this chapter, other revenues of the redevelopment
38 commission, or any combination of these sources, they may be issued
39 in any amount without limitation.

40 (j) Proceeds from the sale of bonds may be used to pay the cost of
41 interest on the bonds for a period not to exceed five (5) years from the
42 date of issuance.

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(k) All laws relating to the giving of notice of the issuance of bonds, the giving of notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, and the approval of the appropriation by the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5** apply to all bonds issued under this chapter that are payable from the special benefits tax levied pursuant to section 27 of this chapter or from taxes allocated under section 39 of this chapter.

(l) All laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds apply to bonds issued under this chapter, except for bonds payable solely from tax proceeds allocated under section 39(b)(2) of this chapter, other revenues of the redevelopment commission, or any combination of these sources.

(m) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(n) Any amount remaining in the debt service reserve after all of the bonds of the issue for which the debt service reserve was established have matured shall be deposited in the allocation fund established under section 39(b)(2) of this chapter.

(o) If bonds are issued under this chapter that are payable solely or in part from revenues to the redevelopment commission from a project or projects, the redevelopment commission may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects, but may not convey or mortgage any project or parts of a project. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the redevelopment commission. The redevelopment commission may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the redevelopment commission that are payable solely from revenues of the commission shall contain a statement to that effect in the form of bond.

(p) If the total principal amount of bonds authorized by a resolution of the redevelopment commission is equal to or greater than three million dollars (\$3,000,000), the bonds may not be issued without the

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1 approval, by resolution, of the legislative body of the unit.

2 SECTION 76. IC 36-7-14-25.2 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25.2. (a) A
4 redevelopment commission may enter into a lease of any property that
5 could be financed with the proceeds of bonds issued under this chapter
6 with a lessor for a term not to exceed fifty (50) years, and the lease may
7 provide for payments to be made by the redevelopment commission
8 from special benefits taxes levied under section 27 of this chapter,
9 taxes allocated under section 39 of this chapter, any other revenues
10 available to the redevelopment commission, or any combination of
11 these sources.

12 (b) A lease may provide that payments by the redevelopment
13 commission to the lessor are required only to the extent and only for the
14 period that the lessor is able to provide the leased facilities in
15 accordance with the lease. The terms of each lease must be based upon
16 the value of the facilities leased and may not create a debt of the unit
17 or the district for purposes of the Constitution of the State of Indiana.

18 (c) A lease may be entered into by the redevelopment commission
19 only after a public hearing by the redevelopment commission at which
20 all interested parties are provided the opportunity to be heard. After the
21 public hearing, the redevelopment commission may adopt a resolution
22 authorizing the execution of the lease on behalf of the unit if it finds
23 that the service to be provided throughout the term of the lease will
24 serve the public purpose of the unit and is in the best interests of its
25 residents. Any lease approved by a resolution of the redevelopment
26 commission must be approved by an ordinance of the fiscal body of the
27 unit.

28 (d) Upon execution of a lease providing for payments by the
29 redevelopment commission in whole or in part from the levy of special
30 benefits taxes under section 27 of this chapter and upon approval of the
31 lease by the unit's fiscal body, the redevelopment commission shall
32 publish notice of the execution of the lease and its approval in
33 accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in the
34 redevelopment district who will be affected by the lease and who may
35 be of the opinion that no necessity exists for the execution of the lease
36 or that the payments provided for in the lease are not fair and
37 reasonable may file a petition in the office of the county auditor within
38 thirty (30) days after the publication of the notice of execution and
39 approval. The petition must set forth the petitioners' names, addresses,
40 and objections to the lease and the facts showing that the execution of
41 the lease is unnecessary or unwise or that the payments provided for in
42 the lease are not fair and reasonable, as the case may be.

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(e) Upon the filing of the petition, the county auditor shall immediately certify a copy of it, together with such other data as may be necessary in order to present the questions involved, to the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5**. Upon receipt of the certified petition and information, the ~~department of local government finance~~ **local government capital project property tax control board** shall fix a time and place for a hearing in the redevelopment district, which must be not less than five (5) or more than thirty (30) days after the time is fixed. Notice of the hearing shall be given by the ~~department of local government finance~~ **local government capital project property tax control board** to the members of the fiscal body, to the redevelopment commission, and to the first fifty (50) petitioners on the petition by a letter signed by ~~the commissioner or deputy commissioner of the department~~ **a member of the control board** and enclosed with fully prepaid postage sent to those persons at their usual place of residence, at least five (5) days before the date of the hearing. The decision of the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5** on the appeal, upon the necessity for the execution of the lease, and as to whether the payments under it are fair and reasonable, is final.

(f) A redevelopment commission entering into a lease payable from allocated taxes under section 39 of this chapter or other available funds of the redevelopment commission may:

- (1) pledge the revenue to make payments under the lease pursuant to IC 5-1-14-4; and
- (2) establish a special fund to make the payments.

(g) Lease rentals may be limited to money in the special fund so that the obligations of the redevelopment commission to make the lease rental payments are not considered debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(h) Except as provided in this section, no approvals of any governmental body or agency are required before the redevelopment commission enters into a lease under this section.

(i) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5**, an action to contest the

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1 validity or enjoin the performance must be brought within thirty (30)
 2 days after the decision of the ~~department~~ **local government capital**
 3 **project property tax control board**.

4 (j) If a redevelopment commission exercises an option to buy a
 5 leased facility from a lessor, the redevelopment commission may
 6 subsequently sell the leased facility, without regard to any other statute,
 7 to the lessor at the end of the lease term at a price set forth in the lease
 8 or at fair market value established at the time of the sale by the
 9 redevelopment commission through auction, appraisal, or arms length
 10 negotiation. If the facility is sold at auction, after appraisal, or through
 11 negotiation, the redevelopment commission shall conduct a hearing
 12 after public notice in accordance with IC 5-3-1 before the sale. Any
 13 action to contest the sale must be brought within fifteen (15) days of
 14 the hearing.

15 SECTION 77. IC 36-7-15.1-17.1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.1. (a) A
 17 commission may enter into a lease of any property that may be financed
 18 with the proceeds of bonds issued under this chapter with a lessor for
 19 a term not to exceed fifty (50) years. The lease may provide for
 20 payments to be made by the commission from special benefits taxes
 21 levied under section 19 of this chapter, taxes allocated under section 26
 22 of this chapter, any other revenue available to the commission, or any
 23 combination of these sources.

24 (b) A lease may provide that payments by the commission to the
 25 lessor are required only to the extent and only for the period that the
 26 lessor is able to provide the leased facilities in accordance with the
 27 lease. The terms of each lease must be based upon the value of the
 28 facilities leased and may not create a debt of the unit or the district for
 29 purposes of the Constitution of the State of Indiana.

30 (c) A lease may be entered into by the commission only after a
 31 public hearing by the commission at which all interested parties are
 32 given the opportunity to be heard. Notice of the hearing must be given
 33 by publication in accordance with IC 5-3-1. After the public hearing,
 34 the commission may adopt a resolution authorizing the execution of the
 35 lease on behalf of the unit if it finds that the service to be provided
 36 throughout the term of the lease will serve the public purpose of the
 37 unit and is in the best interests of its residents. Any lease approved by
 38 a resolution of the commission must be approved by an ordinance of
 39 the fiscal body of the unit.

40 (d) Upon execution of a lease providing for payments by the
 41 commission in whole or in part from the levy of special benefits taxes
 42 under section 19 of this chapter and upon approval of the lease by the

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1 fiscal body, the commission shall publish notice of the execution of the
 2 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 3 taxpayers residing in the district who will be affected by the lease and
 4 who may be of the opinion that no necessity exists for the execution of
 5 the lease or that the payments provided for in the lease are not fair and
 6 reasonable may file a petition in the office of the county auditor within
 7 thirty (30) days after the publication of the notice of execution and
 8 approval. The petition must set forth the petitioners' names, addresses,
 9 and objections to the lease and the facts showing that the execution of
 10 the lease is unnecessary or unwise or that the payments provided for in
 11 the lease are not fair and reasonable, as the case may be. Upon the
 12 filing of the petition, the county auditor shall immediately certify a
 13 copy of it, together with such other data as may be necessary in order
 14 to present the questions involved, to the ~~department of local~~
 15 ~~government finance~~ **local government capital project property tax**
 16 **control board under IC 6-1.1-17.5**. Upon receipt of the certified
 17 petition and information, the ~~department of local government finance~~
 18 **local government capital project property tax control board** shall
 19 fix a time and place for the hearing in the redevelopment district, which
 20 must be not less than five (5) or more than thirty (30) days after the
 21 time for the hearing is fixed. Notice of the hearing shall be given by the
 22 ~~department of local government finance~~ **local government capital**
 23 **project property tax control board** to the members of the fiscal body,
 24 to the commission, and to the first fifty (50) petitioners on the petition
 25 by a letter signed by ~~the commissioner or deputy commissioner of the~~
 26 **department a member of the control board** and enclosed with fully
 27 prepaid postage sent to those persons at their usual place of residence,
 28 at least five (5) days before the date of the hearing. The decision of the
 29 ~~department of local government finance~~ **local government capital**
 30 **project property tax control board** on the appeal, upon the necessity
 31 for the execution of the lease and as to whether the payments under it
 32 are fair and reasonable, is final.

33 (e) A commission entering into a lease payable from allocated taxes
 34 under section 26 of this chapter or revenues or other available funds of
 35 the commission may:

36 (1) pledge the revenue to make payments under the lease pursuant
 37 to IC 5-1-14-4; and

38 (2) establish a special fund to make the payments.

39 Lease rentals may be limited to money in the special fund so that the
 40 obligations of the commission to make the lease rental payments are
 41 not considered a debt of the unit or the district for purposes of the
 42 Constitution of the State of Indiana.

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(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~department of local government finance~~, **local government capital project property tax control board under IC 6-1.1-17.5**, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the ~~department~~. **local government capital project property tax control board.**

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 78. IC 36-7-15.1-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 46. (a) A commission may enter into a lease of any property that may be financed with the proceeds of bonds issued under section 45 of this chapter with a lessor for a term not to exceed fifty (50) years. The lease may provide for payments to be made by the commission from special benefits taxes levied under section 50 of this chapter, taxes allocated under section 53 of this chapter, any other revenue available to the commission, or any combination of these sources.

(b) A lease may provide that payments by the commission to the lessor are required only to the extent and only for the period that the lessor is able to provide the leased facilities in accordance with the lease. The terms of each lease must be based upon the value of the facilities leased and may not create a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(c) A lease may be entered into by the commission only after a public hearing by the commission at which all interested parties are given the opportunity to be heard. Notice of the hearing must be given by publication in accordance with IC 5-3-1. After the public hearing,

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1 the commission may adopt a resolution authorizing the execution of the
 2 lease on behalf of the unit if it finds that the service to be provided
 3 throughout the term of the lease will serve the public purpose of the
 4 unit and is in the best interests of its residents. Any lease approved by
 5 a resolution of the commission must be approved by an ordinance of
 6 the fiscal body of the excluded city.

7 (d) Upon execution of a lease providing for payments by the
 8 commission in whole or in part from the levy of special benefits taxes
 9 under section 50 of this chapter and upon approval of the lease by the
 10 fiscal body, the commission shall publish notice of the execution of the
 11 lease and its approval in accordance with IC 5-3-1. Fifty (50) or more
 12 taxpayers residing in the district who will be affected by the lease and
 13 who may be of the opinion that no necessity exists for the execution of
 14 the lease or that the payments provided for in the lease are not fair and
 15 reasonable may file a petition in the office of the county auditor within
 16 thirty (30) days after the publication of the notice of execution and
 17 approval. The petition must set forth the petitioners' names, addresses,
 18 and objections to the lease and the facts showing that the execution of
 19 the lease is unnecessary or unwise or that the payments provided for in
 20 the lease are not fair and reasonable, as the case may be. Upon the
 21 filing of the petition, the county auditor shall immediately certify a
 22 copy of the petition, together with such other data as may be necessary
 23 in order to present the questions involved, to the ~~department of local~~
 24 ~~government finance~~ **local government capital project property tax**
 25 **control board under IC 6-1.1-17.5.** Upon receipt of the certified
 26 petition and information, the ~~department of local government finance~~
 27 **local government capital project property tax control board** shall
 28 fix a time and place for the hearing in the redevelopment district, which
 29 must not be less than five (5) or more than thirty (30) days after the
 30 time for the hearing is fixed. Notice of the hearing shall be given by the
 31 ~~department of local government finance~~ **local government capital**
 32 **project property tax control board** to the members of the fiscal body,
 33 to the commission, and to the first fifty (50) petitioners on the petition
 34 by a letter signed by ~~the commissioner or deputy commissioner of the~~
 35 **department a member of the control board** and enclosed with fully
 36 prepaid postage sent to those persons at their usual place of residence,
 37 at least five (5) days before the date of the hearing. The decision of the
 38 ~~department of local government finance~~ **local government capital**
 39 **project property tax control board** on the appeal, upon the necessity
 40 for the execution of the lease and as to whether the payments under it
 41 are fair and reasonable, is final.

42 (e) A commission entering into a lease payable from allocated taxes

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under section 53 of this chapter or revenues or other available funds of the commission may:

(1) pledge the revenue to make payments under the lease as provided in IC 5-1-14-4; and

(2) establish a special fund to make the payments.

Lease rentals may be limited to money in the special fund so that the obligations of the commission to make the lease rental payments are not considered a debt of the unit or the district for purposes of the Constitution of the State of Indiana.

(f) Except as provided in this section, no approvals of any governmental body or agency are required before the commission enters into a lease under this section.

(g) An action to contest the validity of the lease or to enjoin the performance of any of its terms and conditions must be brought within thirty (30) days after the publication of the notice of the execution and approval of the lease. However, if the lease is payable in whole or in part from tax levies and an appeal has been taken to the ~~department of local government finance~~, **local government capital project property tax control board**, an action to contest the validity or to enjoin performance must be brought within thirty (30) days after the decision of the ~~department of local government finance~~: **local government capital project property tax control board**.

(h) If a commission exercises an option to buy a leased facility from a lessor, the commission may subsequently sell the leased facility, without regard to any other statute, to the lessor at the end of the lease term at a price set forth in the lease or at fair market value established at the time of the sale by the commission through auction, appraisal, or arms length negotiation. If the facility is sold at auction, after appraisal, or through negotiation, the commission shall conduct a hearing after public notice in accordance with IC 5-3-1 before the sale. Any action to contest the sale must be brought within fifteen (15) days after the hearing.

SECTION 79. IC 36-7-29-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) District bonds may be issued by a board under this chapter without following any procedures set forth in any other statute except that the board must:

(1) adopt a bond resolution after a public hearing following public notice of the hearing published in accordance with IC 5-3-1;

(2) publish notice of the determination to issue district bonds in accordance with IC 6-1.1-20-5;

(3) obtain the approval for the appropriation of the proceeds of the district bonds as set forth in IC 6-1.1-18-5 if the appropriation is

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1 an additional appropriation; and
 2 (4) obtain the approval of the ~~department of local government~~
 3 **finance local government capital project property tax control**
 4 **board** for a tax levy under IC 6-1.1-18.5-8.

5 (b) The bond resolution must contain a finding that substance
 6 removal or remedial action at the qualified site will be of public utility
 7 and benefit because the conditions at the qualified site are detrimental
 8 to the social and economic interests of the district.

9 SECTION 80. IC 36-8-15-15.1 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.1. (a) A board
 11 may enter into a lease of any facility that may be financed with the
 12 proceeds of bonds issued under this chapter with a lessor for a term not
 13 to exceed fifty (50) years. The lease may provide for payments to be
 14 made by the board from special benefits taxes levied under section 14
 15 of this chapter and any other revenue available to the board, or any
 16 combination of these sources.

17 (b) A lease may provide that payments by the board to the lessor are
 18 required only to the extent and only for the period that the lessor is able
 19 to provide the leased facilities in accordance with the lease. The terms
 20 of each lease must be based upon the value of the facilities leased and
 21 may not create a debt of the unit or the district for purposes of the
 22 Constitution of the State of Indiana.

23 (c) A lease may be entered into by the board only after a public
 24 hearing by the board at which all interested parties are given the
 25 opportunity to be heard. Notice of the hearing must be given by
 26 publication in accordance with IC 5-3-1. After the public hearing, the
 27 board may adopt a resolution authorizing the execution of the lease on
 28 behalf of the unit if the board finds that the service to be provided
 29 throughout the term of the lease will serve the public purpose of the
 30 unit and is in the best interests of the unit's residents. A lease approved
 31 by a resolution of the board must be approved by an ordinance of the
 32 fiscal body of the unit.

33 (d) Upon execution of a lease providing for payments by the board
 34 in whole or in part from the levy of special benefits taxes under section
 35 14 of this chapter and upon approval of the lease by the fiscal body, the
 36 board shall publish notice of the execution of the lease and its approval
 37 in accordance with IC 5-3-1. Fifty (50) or more taxpayers residing in
 38 the district who will be affected by the lease and who may be of the
 39 opinion that no necessity exists for the execution of the lease or that the
 40 payments provided for in the lease are not fair and reasonable may file
 41 a petition in the office of the county auditor within thirty (30) days after
 42 the publication of the notice of execution and approval. The petition

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1 must set forth the petitioners' names, addresses, and objections to the
 2 lease and the facts showing that the execution of the lease is
 3 unnecessary or unwise or that the payments provided for in the lease
 4 are not fair and reasonable, as the case may be. Upon the filing of the
 5 petition, the county auditor shall immediately certify a copy of it,
 6 together with any other data necessary in order to present the questions
 7 involved, to the ~~department of local government finance~~. **local**
 8 **government capital project property tax control board under**
 9 **IC 6-1.1-17.5.** Upon receipt of the certified petition and information,
 10 the ~~department of local government finance~~ **local government capital**
 11 **project property tax control board** shall fix a time and place for the
 12 hearing in the district, which must be not less than five (5) or more than
 13 thirty (30) days after the time of the hearing is fixed. Notice of the
 14 hearing shall be given by the ~~department of local government finance~~
 15 **local government capital project property tax control board** to the
 16 members of the fiscal body, the board, and the first fifty (50) petitioners
 17 on the petition by a letter signed by the ~~commissioner or deputy~~
 18 ~~commissioner of the department~~ **a member of the control board** and
 19 enclosed with fully prepaid postage sent to those persons at their usual
 20 place of residence, at least five (5) days before the date of the hearing.
 21 The decision of the ~~department of local government finance~~ **local**
 22 **government capital project property tax control board** on the
 23 appeal, upon the necessity for the execution of the lease and as to
 24 whether the payments under it are fair and reasonable, is final.

25 (e) A board entering into a lease that is payable from revenues or
 26 other available funds of the board may:

- 27 (1) pledge the revenue to make payments under the lease as
- 28 provided in IC 5-1-14-4; and
- 29 (2) establish a special fund to make the payments.

30 Lease rentals may be limited to money in the special fund so that the
 31 obligations of the board to make the lease rental payments are not
 32 considered a debt of the unit or the district for purposes of the
 33 Constitution of the State of Indiana.

34 (f) Except as provided in this section, no approvals of a
 35 governmental body or an agency are required before the board enters
 36 into a lease under this section.

37 (g) An action to contest the validity of the lease or to enjoin the
 38 performance of any of its terms and conditions must be brought within
 39 thirty (30) days after the publication of the notice of the execution and
 40 approval of the lease. However, if the lease is payable in whole or in
 41 part from tax levies and an appeal has been taken to the ~~department of~~
 42 ~~local government finance~~, **local government capital project property**

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1 **tax control board under IC 6-1.1-17.5**, an action to contest the
 2 validity or to enjoin performance must be brought within thirty (30)
 3 days after the decision of the ~~department~~ **local government capital**
 4 **project property tax control board**.

5 (h) If a board exercises an option to buy a leased facility from a
 6 lessor, the board may subsequently sell the leased facility, without
 7 regard to any other statutes, to the lessor at the end of the lease term at
 8 a price set forth in the lease or at fair market value established at the
 9 time of the sale by the board through an auction, appraisal, or arms
 10 length negotiation. The board shall conduct a hearing after public
 11 notice in accordance with IC 5-3-1 before the sale. An action to contest
 12 the sale must be brought within fifteen (15) days after the hearing.

13 SECTION 81. IC 36-9-3-31 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) This section
 15 applies to an authority that includes a county having a population of
 16 more than four hundred thousand (400,000) but less than seven
 17 hundred thousand (700,000).

18 (b) The authority may issue revenue or general obligation bonds
 19 under this section.

20 (c) The board may issue revenue bonds of the authority for the
 21 purpose of procuring money to pay the cost of acquiring real or
 22 personal property for the purpose of this chapter. The issuance of bonds
 23 must be authorized by resolution of the board and approved by the
 24 county fiscal bodies of the counties in the authority before issuance.
 25 The resolution must provide for the amount, terms, and tenor of the
 26 bonds, and for the time and character of notice and mode of making
 27 sale of the bonds.

28 (d) The bonds are payable at the times and places determined by the
 29 board, but they may not run more than thirty (30) years after the date
 30 of their issuance and must be executed in the name of the authority by
 31 an authorized officer of the board and attested by the secretary. The
 32 interest coupons attached to the bonds may be executed by placing on
 33 them the facsimile signature of the authorized officer of the board.

34 (e) The president of the authority shall manage and supervise the
 35 preparation, advertisement, and sale of the bonds, subject to the
 36 authorizing ordinance. Before the sale of bonds, the president shall
 37 cause notice of the sale to be published in accordance with IC 5-3-1,
 38 setting out the time and place where bids will be received, the amount
 39 and maturity dates of the issue, the maximum interest rate, and the
 40 terms and conditions of sale and delivery of the bonds. The bonds shall
 41 be sold in accordance with IC 5-1-11. After the bonds have been
 42 properly sold and executed, the executive director or president shall

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1 deliver them to the controller of the authority and take a receipt for
 2 them, and shall certify to the treasurer the amount that the purchaser is
 3 to pay, together with the name and address of the purchaser. On
 4 payment of the purchase price the controller shall deliver the bonds to
 5 the purchaser, and the controller and executive director or president
 6 shall report their actions to the board.

7 (f) General obligation bonds issued under this section are subject to
 8 the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a
 9 petition requesting the issuance of bonds, the appropriation of the
 10 proceeds of bonds, the right of taxpayers to appeal and be heard on the
 11 proposed appropriation, the approval of the appropriation by the
 12 ~~department of local government finance;~~ **local government capital**
 13 **project property tax control board under IC 6-1.1-17.5,** the right of
 14 taxpayers to remonstrate against the issuance of bonds, and the sale of
 15 bonds for not less than their par value.

16 (g) Notice of the filing of a petition requesting the issuance of
 17 bonds, notice of determination to issue bonds, and notice of the
 18 appropriation of the proceeds of the bonds shall be given by posting in
 19 the offices of the authority for a period of one (1) week and by
 20 publication in accordance with IC 5-3-1.

21 (h) The bonds are not a corporate indebtedness of any unit, but are
 22 an indebtedness of the authority as a municipal corporation. A suit to
 23 question the validity of the bonds issued or to prevent their issuance
 24 may not be instituted after the date set for sale of the bonds, and after
 25 that date the bonds may not be contested for any cause.

26 (i) The bonds issued under this section and the interest on them are
 27 exempt from taxation for all purposes except the financial institutions
 28 tax imposed under IC 6-5.5 or a state inheritance tax imposed under
 29 IC 6-4.1.

30 SECTION 82. IC 36-9-4-45 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 45. (a) Bonds
 32 issued under this chapter:

- 33 (1) shall be issued in the denomination;
- 34 (2) are payable over a period not to exceed thirty (30) years from
- 35 the date of the bonds; and
- 36 (3) mature;

37 as determined by the ordinance authorizing the bond issue.

38 (b) All bonds issued under this chapter, the interest on them, and the
 39 income from them are exempt from taxation to the extent provided by
 40 IC 6-8-5-1.

41 (c) The provisions of IC 6-1.1-20 relating to filing petitions
 42 requesting the issuance of bonds and giving notice of those petitions,

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giving notice of a hearing on the appropriation of the proceeds of the bonds, the right of taxpayers to appear and be heard on the proposed appropriation, the approval of the appropriation by the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**, and the right of taxpayers to remonstrate against the issuance of bonds apply to the issuance of bonds under this chapter.

(d) A suit to question the validity of bonds issued under this chapter or to prevent their issue and sale may not be instituted after the date set for the sale of the bonds, and the bonds are incontestable after that date.

SECTION 83. IC 36-9-13-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) If the terms and conditions of a proposed lease are approved under section 27 of this chapter, notice of the approval of the lease shall be given on behalf of the eligible entity by publication in accordance with IC 5-3-1. Ten (10) or more taxpayers in the eligible entity:

- (1) whose tax rate will be affected by the proposed lease; and
- (2) who are of the opinion that there is no necessity for the lease, or that the method of determining the lease rental is not fair and reasonable;

may file a petition in the office of the county auditor within thirty (30) days after publication of notice of the approval of the lease. The petition must set forth their objections to the lease and facts showing that the lease is unnecessary or unwise, or that the method of determining the lease rental is not fair and reasonable.

(b) Upon the filing of a petition under subsection (a), the county auditor shall immediately certify a copy of it, together with any other data necessary to present the questions involved, to the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**. Not less than five (5) nor more than fifteen (15) days after receipt of the certified petition and data, the ~~department of local government finance~~ **local government capital project property tax control board** shall fix a time and place in the county for the hearing of the matter. The ~~department of local government finance~~ **local government capital project property tax control board** shall give notice of the hearing to the eligible entity and to the first ten (10) petitioners on the petition by registered mail, at least five (5) days before the date of the hearing.

(c) The decision of the ~~department of local government finance~~ **local government capital project property tax control board under IC 6-1.1-17.5** on a petition under this section is final.

(d) An action to contest the validity of the lease or to enjoin the

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performance of any of its terms and conditions must be instituted within thirty (30) days after publication of notice of the approval of the lease, or if an appeal has been taken to the ~~department of local government finance~~, **local government capital project property tax control board**, within thirty (30) days after the decision of the ~~department~~. **local government capital project property tax control board**.

SECTION 84. IC 36-9-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The county fiscal body may establish a debt service fund for the payment of:

(1) a debt or other obligation arising out of money borrowed or advanced for a jail that it purchases from the proceeds of a bond issue for capital construction under IC 36-2-6-18; or

(2) a lease to provide capital construction under IC 36-1-10.

(b) The county fiscal body shall levy a tax each year in an amount sufficient to pay all debt service obligations for jails for that year. ~~IC 6-1.1-18.5-8~~ **IC 6-1.1-17.5** applies to such a tax levy.

SECTION 85. IC 36-9-30-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. In anticipation of the acquisition of a site and the construction and erection of solid waste disposal facilities, including the necessary equipment and appurtenances, a unit may enter into a lease with option to purchase with a lessor corporation, subject to the approval of the ~~department of local government finance~~. **local government capital project property tax control board**. Such a lease may not provide for the payment of any lease rental by the lessee until the facilities are completed and ready for solid waste disposal. The lessor corporation shall agree in the lease to furnish a bond satisfactory to the lessee and conditioned upon final completion of the facilities within the period specified in the lease, except for unavoidable delays.

SECTION 86. IC 36-9-31-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. In order to provide for the collection and disposal of waste in the consolidated city and for the management, operation, acquisition, and financing of facilities for waste disposal, the board may exercise the following powers on behalf of the city, in addition to the powers specifically set forth elsewhere in this chapter:

(1) To sue and be sued.

(2) To exercise the power of eminent domain as provided in IC 32-24 within the corporate boundaries of the city. However, the power of eminent domain may not be exercised to acquire the property of any public utility used for the production or

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1 distribution of energy.

2 (3) To provide for the collection of waste accumulated within the
3 service district and to provide for disposal of waste accumulated
4 within the waste disposal district, including contracting with
5 persons for collection, disposal, or waste storage, and the recovery
6 of byproducts from waste, and granting these persons the right to
7 collect and dispose of any such wastes and store and recover
8 byproducts from them.

9 (4) To plan, design, construct, finance, manage, own, lease,
10 operate, and maintain facilities for waste disposal.

11 (5) To enter into all contracts or agreements necessary or
12 incidental to the collection, disposal, or recovery of byproducts
13 from waste, such as put or pay contracts, contracts and
14 agreements for the design, construction, operation, financing,
15 ownership, or maintenance of facilities or the processing or
16 disposal of waste or the sale or other disposition of any products
17 generated by a facility. Notwithstanding any other statute, any
18 such contract or agreement may be for a period not to exceed forty
19 (40) years.

20 (6) To enter into agreements for the leasing of facilities in
21 accordance with IC 36-1-10. However, any such agreement
22 having an original term of five (5) or more years is subject to
23 approval by the ~~department of local government finance~~ **local**
24 **government capital project property tax control board** under
25 IC 6-3.5. Such an agreement may be executed before approval,
26 but if the ~~department of local government finance~~ **local**
27 **government capital project property tax control board** does
28 not approve the agreement, it is void.

29 (7) To purchase, lease, or otherwise acquire real or personal
30 property.

31 (8) To contract for architectural, engineering, legal, or other
32 professional services.

33 (9) To exclusively control, within the city, the collection,
34 transportation, storage, and disposal of waste and, subject to the
35 provisions of sections 6 and 8 of this chapter, to fix fees in
36 connection with these matters.

37 (10) To determine exclusively the location and character of any
38 facility, subject to local zoning ordinances and environmental
39 management laws (as defined in IC 13-11-2-71).

40 (11) To sell or lease to any person any facility or part of it.

41 (12) To make and contract for plans, surveys, studies, and
42 investigations.

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(13) To enter upon property to make surveys, soundings, borings, and examinations.

(14) To accept gifts, grants, or loans of money, other property, or services from any source, public or private, and to comply with their terms.

(15) To issue from time to time waste disposal district bonds to finance the cost of facilities as provided in section 9 of this chapter.

(16) To issue from time to time revenue bonds to finance the cost of facilities as provided in section 10 of this chapter.

(17) To issue from time to time waste disposal development bonds to finance the cost of facilities as provided in section 11 of this chapter.

(18) To issue from time to time notes in anticipation of grants or in anticipation of the issuance of bonds to finance the cost of facilities as provided in section 13 of this chapter.

(19) To establish fees for the collection and disposal of waste, subject to the provisions of sections 6 and 8 of this chapter.

(20) To levy a tax within the service district to pay costs of operation in connection with waste collection, waste disposal, mowing services, and animal control, subject to regular budget and tax levy procedures. For purposes of this subdivision, "mowing services" refers only to mowing services for rights-of-way or on vacant property.

(21) To levy a tax within the waste disposal district to pay costs of operation in connection with waste disposal, subject to regular budget and tax levy procedures.

(22) To borrow in anticipation of taxes.

(23) To employ staff engineers, clerks, secretaries, and other employees in accordance with an approved budget.

(24) To issue requests for proposals and requests for qualifications as provided in section 4 of this chapter.

(25) To require all persons located within the service district or waste disposal district to deposit waste at sites designated by the board.

(26) To otherwise do all things necessary for the collection and disposal of waste and the recovery of byproducts from it.

SECTION 87. IC 36-9-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Any put or pay contract may provide for payments to be made by the consolidated city under the contract from:

(1) the levy of taxes;

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1 (2) revenues;
 2 (3) any other available funds of the consolidated city; or
 3 (4) any combination of the foregoing.
 4 (b) A put or pay contract may further provide that payments by the
 5 consolidated city to the other person to the contract are required only
 6 to the extent and only for the period or periods that person is able to
 7 accept and dispose of waste in accordance with the contract had such
 8 waste been delivered to the person.
 9 (c) A put or pay contract may be entered into by the consolidated
 10 city extending for a period of five (5) years or more only after a public
 11 hearing by the board, at which all interested persons shall be heard.
 12 After the public hearing, the board may adopt a resolution authorizing
 13 the execution of the contract on behalf of the city if it finds that the
 14 estimated amount of waste to be provided throughout the term of the
 15 contract will not be less than the specified amount of waste required to
 16 be provided by the contract.
 17 (d) A put or pay contract providing for payments by the consolidated
 18 city in whole or in part from the levy of taxes is not valid unless
 19 approved by ordinance of the city-county legislative body. Upon
 20 execution of such a contract and approval by the legislative body, the
 21 board shall cause notice of the execution of the contract and its
 22 approval to be given by public notice. Fifty (50) or more taxpayers
 23 residing in the city who will be affected by the contract and who may
 24 be of the opinion that no necessity exists for the execution of the
 25 contract or that the payments provided for in the contract are not fair
 26 and reasonable may file a petition in the office of the county auditor
 27 within thirty (30) days after the publication of the notice of execution
 28 and approval, setting forth their names, addresses, and objections to the
 29 contract and the facts showing that the execution of the contract is
 30 unnecessary or unwise or that the payments provided for in the contract
 31 are not fair and reasonable, as the case may be. Upon the filing of the
 32 petition, the county auditor shall immediately certify a copy of it,
 33 together with such other data as may be necessary in order to present
 34 the questions involved, to the ~~department of local government finance~~.
 35 **local government capital project property tax control board under**
 36 **IC 6-1.1-17.5.** Upon receipt of the certified petition and information,
 37 the ~~department of local government finance~~ **local government capital**
 38 **project property tax control board** shall fix a time and place for the
 39 hearing of the matter, which must be not less than five (5) nor more
 40 than thirty (30) days thereafter in the city. Notice of the hearing shall
 41 be given by the ~~department of local government finance~~ **local**
 42 **government capital project property tax control board** to the

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1 members of the board and to the first fifty (50) taxpayer-petitioners
 2 upon the petition by a letter signed by ~~the commissioner or deputy~~
 3 ~~commissioner of the department of local government finance~~ a
 4 **member of the control board** and enclosed with fully prepaid postage
 5 sent to those persons at their usual place of residence, at least five (5)
 6 days before the date of the hearing. The decision of the ~~department of~~
 7 ~~local government finance~~ **local government capital project property**
 8 **tax control board** on the appeal, upon the necessity for the execution
 9 of the contract, and as to whether the payments under it are fair and
 10 reasonable, is final.

11 (e) An action to contest the validity of the contract or to enjoin the
 12 performance of any of its terms and conditions must be brought within
 13 thirty (30) days after the publication of notice of the execution and
 14 approval of the contract, or if an appeal has been taken to the
 15 ~~department of local government finance;~~ **local government capital**
 16 **project property tax control board under IC 6-1.1-17.5**, then within
 17 thirty (30) days after the decision of the ~~department;~~ **local government**
 18 **capital project property tax control board**.

19 (f) After the consolidated city has entered into a put or pay contract
 20 under this section, the city-county legislative body shall annually levy
 21 a tax sufficient to produce each year the necessary amount, with other
 22 amounts available, if any, that is sufficient to pay the amounts that the
 23 contract provides are to be paid from the levy of taxes. The tax levies
 24 provided for in this chapter are reviewable by other bodies vested by
 25 law with authority to ascertain that the levies are sufficient to raise the
 26 amount that, with other amounts available, is sufficient to meet the
 27 payments under the contract payable from the levy of taxes.

28 SECTION 88. IC 36-10-3-24 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) In order to
 30 raise money to pay for land to be acquired for any of the purposes
 31 named in this chapter, to pay for an improvement authorized by this
 32 chapter, or both, and in anticipation of the special benefit tax to be
 33 levied as provided in this chapter, the board shall cause to be issued, in
 34 the name of the unit, the bonds of the district. The bonds may not
 35 exceed in amount the total cost of all land to be acquired and all
 36 improvements described in the resolution, including all expenses
 37 necessarily incurred in connection with the proceedings, together with
 38 a sum sufficient to pay the costs of supervision and inspection during
 39 the period of construction of a work. The expenses to be covered in the
 40 bond issue include all expenses of every kind actually incurred
 41 preliminary to acquiring the land and the construction of the work, such
 42 as the cost of the necessary record, engineering expenses, publication

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1 of notices, preparation of bonds, and other necessary expenses. If more
 2 than one (1) resolution or proceeding of the board under section 23 of
 3 this chapter is confirmed whereby different parcels of land are to be
 4 acquired, or more than one (1) contract for work is let by the board at
 5 approximately the same time, the cost involved under all of the
 6 resolutions and proceedings may be included in one (1) issue of bonds.

7 (b) The bonds may be issued in any denomination not less than one
 8 thousand dollars (\$1,000) each, in not less than five (5) nor more than
 9 forty (40) annual series. The bonds are payable one (1) series each
 10 year, beginning at a date after the receipt of taxes from a levy made for
 11 that purpose. The bonds are negotiable. The bonds may bear interest at
 12 any rate, payable semiannually. After adopting a resolution ordering
 13 bonds, the board shall certify a copy of the resolution to the unit's fiscal
 14 officer. The fiscal officer shall prepare the bonds and the unit's
 15 executive shall execute them, attested by the fiscal officer.

16 (c) The bonds and the interest on them are exempt from taxation as
 17 prescribed by IC 6-8-5-1. Bonds issued under this section are subject
 18 to the provisions of IC 5-1 and IC 6-1.1-20 relating to the filing of a
 19 petition requesting the issuance of bonds, the right of taxpayers to
 20 remonstrate against the issuance of bonds, the appropriation of the
 21 proceeds of the bonds and approval by the ~~department of local~~
 22 ~~government finance~~; **local government capital project property tax**
 23 **control board under IC 6-1.1-17.5**, and the sale of bonds at public
 24 sale for not less than their par value.

25 (d) The board may not have bonds of the district issued under this
 26 section that are payable by special taxation when the total issue for that
 27 purpose, including the bonds already issued or to be issued, exceeds
 28 two percent (2%) of the adjusted value of the taxable property in the
 29 district as determined under IC 36-1-15. All bonds or obligations
 30 issued in violation of this subsection are void. The bonds are not
 31 obligations or indebtedness of the unit, but constitute an indebtedness
 32 of the district as a special taxing district. The bonds and interest are
 33 payable only out of a special tax levied upon all the property of the
 34 district as prescribed by this chapter. The bonds must recite the terms
 35 upon their face, together with the purposes for which they are issued.

36 SECTION 89. IC 36-10-7-8 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) This section
 38 applies to all townships having a population of less than two thousand
 39 (2,000).

40 (b) The township executive may lease, purchase, accept by grant,
 41 devise, bequest, or other conveyance to the township, or otherwise
 42 acquire land for park purposes and may make necessary improvements

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only as provided by this section.

(c) The legislative body may establish a township park and may, by resolution, appropriate from the general fund of the township the necessary money to lease, purchase, accept, or otherwise acquire land for park purposes or make improvements thereon. The executive shall then lease, purchase, accept, or acquire the land for park purposes or shall make improvements thereon as directed in the resolution. However, the costs of the park grounds or of the improvements provided for in the resolution may not exceed in one (1) year one-fifth of one percent (0.2%) of the adjusted value of all taxable property of the township as determined under IC 36-1-15.

(d) If a park has been established under this section, the executive shall have the park maintained and may make improvements and construct and maintain facilities for the comfort and convenience of the public. However, the executive annually may not spend more than one cent (\$0.01) on each one hundred dollars (\$100) of assessed valuation of taxable property in the township as it appears on the tax duplicates of the auditor of the county in which the township is located. The money shall be paid from the general fund of the township.

(e) If the general fund of the township is insufficient to meet the expenses of acquiring or improving the land for park purposes, the executive shall call a special meeting of the legislative body by written notice to each member of the legislative body at least three (3) days before the date of the meeting. The notice must state the time, place, and purpose of the meeting. The legislative body shall meet and determine whether an emergency exists for the issuance of the warrants or bonds of the township. The legislative body shall, by resolution, authorize the issuance and sale of the warrants or bonds of the township in an amount not exceeding two percent (2%) of the adjusted value of all taxable property in the township as determined under IC 36-1-15. The amount of bonds may not exceed the total estimated cost of all land to be acquired and all improvements described in the resolution, including all expenses necessarily incurred in connection with the proceedings. The proceeds from the sale of the bonds shall be deposited in the general fund of the township. The bonds become due and payable not less than two (2) nor more than ten (10) years after the date of issuance, may bear interest at any rate, and may not be sold for less than par value. The bonds shall be sold after giving notice of the sale of bonds in accordance with IC 5-3-1. The bonds and the interest thereon are exempt from taxation as provided by IC 6-8-5 and are subject to the provisions of IC 6-1.1-20 relating to the filing of a petition requesting the issuance of bonds, the appropriation of the

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1 proceeds of the bonds, and the approval by the ~~department of local~~
 2 ~~government finance~~ **local government capital project property tax**
 3 **control board.**

4 (f) The legislative body shall, at its next annual meeting after
 5 authorization of bonds and annually each following year, levy a
 6 sufficient tax against all the taxable property of the township to pay the
 7 principal of the bonds, together with accruing interest, as they become
 8 due. The executive shall apply the money received from the levy only
 9 to the payment of bonds and interest as they become due.

10 (g) In addition to the levy required by subsection (f), the legislative
 11 body shall, when a park has been established under this section and at
 12 every annual meeting after establishment, levy a tax not exceeding one
 13 cent (\$0.01) on each one hundred dollars (\$100) of taxable property in
 14 the township. The levy required by this subsection shall be used by the
 15 executive for the maintenance and improvement of the park. The
 16 executive may not expend more for maintenance and improvement of
 17 the park than the amount collected by the levy except:

18 (1) upon petition by fifty-one percent (51%) of the taxpayers of
 19 the township; or

20 (2) when warrants or bonds are to be issued under this section to
 21 finance the expenses of improvements.

22 The amount received from the levy shall be deposited in the general
 23 fund of the township.

24 (h) A park established under this section shall be kept open to the
 25 public in accordance with rules prescribed by the executive.

26 (i) If the executive determines that land or other property used for
 27 park purposes under this section should be disposed of and that the
 28 park should no longer be maintained, the executive shall appoint three
 29 (3) disinterested appraisers to appraise the property. The property shall
 30 then be disposed of either at public or private sale for at least its
 31 appraised value.

32 (j) This subsection applies if the township sells the property by
 33 acceptance of bids. A bid submitted by a trust (as defined in
 34 IC 30-4-1-1(a)) must identify each:

35 (1) beneficiary of the trust; and

36 (2) settlor empowered to revoke or modify the trust.

37 (k) All money from the sale of park property, less the expenses
 38 incurred in making the appraisal and sale, shall be paid into the general
 39 fund of the township.

40 SECTION 90. IC 36-10-7.5-22 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) To raise
 42 money to pay for land to be acquired for any of the purposes named in

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1 this chapter or to pay for an improvement authorized by this chapter
 2 and in anticipation of the special benefit tax to be levied as provided in
 3 this chapter, the legislative body shall issue in the name of the
 4 township the bonds of the district. The bonds may not exceed in
 5 amount the total cost of all land to be acquired and all improvements
 6 described in the resolution, including all expenses necessarily incurred
 7 in connection with the proceedings, together with a sum sufficient to
 8 pay the costs of supervision and inspection during the period of
 9 construction of a work. The expenses to be covered in the bond issue
 10 include all expenses of every kind actually incurred preliminary to
 11 acquiring the land and the construction of the work, such as the cost of
 12 the necessary record, engineering expenses, publication of notices,
 13 preparation of bonds, and other necessary expenses. If more than one
 14 (1) resolution or proceeding of the legislative body under this chapter
 15 is confirmed whereby different parcels of land are to be acquired or
 16 more than one (1) contract for work is let by the executive at
 17 approximately the same time, the cost involved under all of the
 18 resolutions and proceedings may be included in one (1) issue of bonds.

19 (b) The bonds may be issued in any denomination not less than one
 20 thousand dollars (\$1,000) each, in not less than five (5) nor more than
 21 forty (40) annual series. The bonds are payable one (1) series each
 22 year, beginning at a date after the receipt of taxes from a levy made for
 23 that purpose. The bonds are negotiable. The bonds may bear interest at
 24 any rate, payable semiannually. After adopting a resolution ordering
 25 bonds, the legislative body shall certify a copy of the resolution to the
 26 township's fiscal officer. The fiscal officer shall prepare the bonds and
 27 the executive shall execute the bonds, attested by the fiscal officer.

28 (c) The bonds and the interest on the bonds are exempt from
 29 taxation as prescribed by IC 6-8-5-1. Bonds issued under this section
 30 are subject to the provisions of IC 5-1 and IC 6-1.1-20 relating to the
 31 filing of a petition requesting the issuance of bonds, the right of
 32 taxpayers to remonstrate against the issuance of bonds, the
 33 appropriation of the proceeds of the bonds with the approval of the
 34 ~~department of local government finance;~~ **local government capital**
 35 **project property tax control board under IC 6-1.1-17.5,** and the sale
 36 of bonds at public sale for not less than the par value of the bonds.

37 (d) The legislative body may not have bonds of the district issued
 38 under this section that are payable by special taxation when the total
 39 issue for that purpose, including the bonds already issued or to be
 40 issued, exceeds two percent (2%) of the total adjusted value of the
 41 taxable property in the district as determined under IC 36-1-15. All
 42 bonds or obligations issued in violation of this subsection are void. The

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bonds are not obligations or indebtedness of the township but constitute an indebtedness of the district as a special taxing district. The bonds and interest are payable only out of a special tax levied upon all the property of the district as prescribed by this chapter. A bond must recite the terms upon the face of the bond, together with the purposes for which the bond is issued.

SECTION 91. IC 36-10-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county or, if the authority was created under IC 18-7-18 (before its repeal on February 24, 1982), also of the city, if the board determines that the estimated annual net income of the capital improvement, plus the estimated annual tax revenues to be derived from any tax revenues made available for this purpose, will not be sufficient to satisfy and pay the principal of and interest on all bonds issued under this chapter, including the bonds then proposed to be issued.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the county executive authorizing the issuance of general obligation bonds, or, if the authority was created under IC 18-7-18 (before its repeal on February 24, 1982), by the fiscal body of the city authorizing the issuance of general obligation bonds. The resolution must set forth an itemization of the funds and assets received by the board, together with the board's valuation and certification of the cost. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the proper officers, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, as the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate the proper officers may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth

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day following the receipt of bids for the bonds.

(d) The provisions of all general statutes relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice;

(2) the right of taxpayers to remonstrate against the issuance of bonds;

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

(6) the approval of the appropriation by the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**; and

(7) the sale of bonds at public sale;

apply to the issuance of bonds under this section.

SECTION 92. IC 36-10-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) A capital improvement may be financed in whole or in part by the issuance of general obligation bonds of the county.

(b) If the board desires to finance a capital improvement in whole or in part as provided in this section, it shall have prepared a resolution to be adopted by the board of commissioners of the county authorizing the issuance of general obligation bonds. The resolution must state the date or dates on which the principal of the bonds is payable, the maximum interest rate to be paid, and the other terms upon which the bonds shall be issued. The board shall submit the proposed resolution to the board of commissioners of the county, together with a certificate to the effect that the issuance of bonds in accordance with the resolution will be in compliance with this section. The certificate must also state the estimated annual net income of the capital improvement to be financed by the bonds, the estimated annual tax revenues, and the maximum amount payable in any year as principal and interest on the bonds issued under this chapter, including the bonds proposed to be issued, at the maximum interest rate set forth in the resolution. The bonds issued may mature over a period not exceeding forty (40) years from the date of issue.

(c) Upon receipt of the resolution and certificate, the board of commissioners of the county may adopt them and take all action necessary to issue the bonds in accordance with the resolution. An action to contest the validity of bonds issued under this section may not be brought after the fifteenth day following the receipt of bids for the

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bonds.

(d) The provisions of all general statutes relating to:

(1) the filing of a petition requesting the issuance of bonds and giving notice;

(2) the right of taxpayers to remonstrate against the issuance of bonds;

(3) the giving of notice of the determination to issue bonds;

(4) the giving of notice of a hearing on the appropriation of the proceeds of bonds;

(5) the right of taxpayers to appear and be heard on the proposed appropriation;

(6) the approval of the appropriation by the ~~department of local government finance~~; **local government capital project property tax control board under IC 6-1.1-17.5**; and

(7) the sale of bonds at public sale for not less than par value; are applicable to the issuance of bonds under this section.

SECTION 93. IC 36-10-10-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. A lease under this chapter must provide for the payment of the lease rental by the city from the levy of taxes against the real and personal property located within the city. The lease is subject to approval by the ~~department of local government finance~~ **local government capital project property tax control board** under IC 6-3.5. The lease may be executed before approval. However, if the ~~department of local government finance~~ **local government capital project property tax control board** does not approve the lease, it is void.

SECTION 94. IC 36-10-11-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) The lease shall be executed on behalf of the governmental entity by an officer authorized by law to execute contracts for the entity and on behalf of the authority by both the president or vice president of the board and the secretary of the board of directors.

(b) Notice of the execution of the lease shall be given by the governmental entity by publication as provided in IC 5-3-1.

(c) A lease may not be executed with annual lease rental exceeding an aggregate of two hundred seventy-five thousand dollars (\$275,000) unless the fiscal body of the lessee governmental entity finds that the estimated annual net income to the lessee governmental entity from the civic center, plus any other nonproperty tax funds made available annually for the payment of the lease rental, will not be less than the amount of the excess.

(d) The lease is subject to approval by the ~~department of local~~

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1 ~~government finance local government capital project property tax~~
 2 **control board** under IC 6-3.5. The lease may be executed before
 3 approval. However, if the ~~department of local government finance local~~
 4 **government capital project property tax control board** does not
 5 approve the lease, it is void. The ~~department of local government~~
 6 **finance local government capital project property tax control**
 7 **board** may not approve the lease under IC 6-3.5-1.1-8 unless it finds
 8 that the condition prescribed in subsection (c) is satisfied.

9 (e) All net revenues of the leased building, together with any other
 10 funds made available for the payment of lease rental, shall be
 11 transferred at least annually by the lessee to a fund for payment of lease
 12 rental.

13 SECTION 95. THE FOLLOWING ARE REPEALED [EFFECTIVE
 14 JANUARY 1, 2008]: IC 12-19-7-7; IC 12-19-7-11.1; IC 12-19-7-17;
 15 IC 12-19-7-18; IC 12-19-7-19; IC 12-19-7-20; IC 12-19-7-21;
 16 IC 12-19-7-22; IC 12-19-7-23; IC 12-19-7-24; IC 12-19-7-25;
 17 IC 12-19-7-26; IC 12-19-7-27; IC 12-19-7-28; IC 12-19-7-29;
 18 IC 12-19-7-30; IC 12-19-7-31; IC 12-19-7-32; IC 12-19-7-33.

19 SECTION 96. [EFFECTIVE JULY 1, 2007] (a) **The following**
 20 **definitions apply throughout this SECTION:**

21 (1) "Child services" has the meaning set forth in IC 12-19-7-1.

22 (2) "Net cost" refers to costs unreimbursed before January 1,
 23 2008, from grants, fees, or other charges.

24 (b) This subsection applies to the repayment of the following:

25 (1) Loans made to a county family and children's fund from
 26 another fund to pay for child services provided before
 27 January 1, 2008.

28 (2) Loans made to a county family and children's fund under
 29 IC 12-19-5 (as effective before January 1, 2008) to pay for
 30 child services provided before January 1, 2008.

31 (3) Bonds issued under IC 12-19-7 (as effective before
 32 January 1, 2008) to pay for child services provided before
 33 January 1, 2008.

34 After December 31, 2007, a county may not levy a property tax
 35 from the family and children's fund to pay the interest and
 36 principal on a loan or bond described in this subsection. To the
 37 extent that an obligation remains after applying the distribution
 38 made under subsection (i)(1) to the obligation, the county shall
 39 repay the interest and principal on the loan or bond from an
 40 additional levy imposed for the county's debt service fund.

41 (c) The ad valorem property tax levy limits imposed by
 42 IC 6-1.1-18.5-3 do not apply to ad valorem property taxes imposed

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by a civil taxing unit to pay or fund an obligation transferred to the debt service fund under subsection (b). For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by IC 6-1.1-18.5-3, the civil taxing unit's ad valorem property tax levy for a calendar year does not include that part of a levy that is committed to fund or pay an obligation described in subsection (b).

(d) IC 6-1.1-18.5-8(b) does not apply to an obligation described in subsection (b), including any levy imposed to refinance the obligation.

(e) A levy to pay an obligation described in subsection (b) is not part of a county's total county tax levy (as defined in IC 6-1.1-21-2, as amended by this act) for purposes of calculating property tax replacement credits or homestead credits.

(f) IC 12-19-7-4 and IC 12-19-7-11, both as amended by this act, and the repeal of IC 12-19-7-7 by this act do not apply to the 2007 child services budget or the 2007 property tax levy for the family and children's fund. However, a county and the department of child services shall, in 2007, prepare and adopt the 2008 budget for child services and the 2008 property tax levy for the family and children's fund in conformity with IC 12-19-7-4 and IC 12-19-7-11, as amended by this act, and in a manner that treats IC 12-19-7-7 as repealed.

(g) The department of local government finance, with the assistance of the department of child services and the budget agency, shall determine the sum of the following for each county:

(1) The greater of zero (0) or the result of:

(A) the net cost to the county for child services provided in 2006 that were payable from property taxes (including any balance in the county family and children's fund on January 1, 2006, that was derived from property taxes) or the proceeds of any bond, loan, or transfer to the county family and children's fund from another fund; minus

(B) the net cost to the county for child services provided in 2005 that were payable from property taxes (including any balance in the county family and children's fund on January 1, 2005, that was derived from property taxes) or the proceeds of any bond, loan, or transfer to the county family and children's fund from another fund, as certified by the department of local government finance under IC 12-19-7-4.

(2) The greater of zero (0) or the result of:

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(A) the net cost to the county for child services provided in 2007 that were payable from property taxes (including any balance in the county family and children's fund on January 1, 2007, that was derived from property taxes) or the proceeds of any bond, loan, or transfer to the county family and children's fund from another fund; minus

(B) the net cost to the county for child services provided in 2005 that were payable from property taxes (including any balance in the county family and children's fund on January 1, 2005, that was derived from property taxes) or the proceeds of any bond, loan, or transfer to the county family and children's fund from another fund, as certified by the department of local government finance under IC 12-19-7-4.

Not later than the date that the department of local government finance certifies the property tax levies, property tax rates, and budget of a county, the department of local government finance shall certify the amount determined under this subsection to the county auditor for the county and the budget agency.

(h) The department of local government finance shall reduce the property tax levies and property tax rates that would otherwise be certified in 2008 for a county under IC 6-1.1-17-16 by the amount determined for the county under subsection (i)(2).

(i) Not later than March 1, 2008, the budget agency shall distribute to the county auditor for a county the amount determined for the county under subsection (g). An amount distributed under this subsection may be deposited and used by a county only as follows:

(1) Money distributed under this subsection must be used to pay the principal, interest, and any other costs related to retiring an obligation transferred to the county's debt service fund under this SECTION.

(2) Any money remaining after the retirement of all debt described in subdivision (1) shall be treated as part of the county's ad valorem property tax levy for 2008 and shall be used to replace revenue lost as the result of the reduction in the county's property tax levies and property tax rates under subsection (h).

SECTION 97. [EFFECTIVE JANUARY 1, 2008] IC 6-1.1-4-17, IC 6-1.1-4-18.5, IC 6-1.1-4-19.5, IC 6-1.1-4-20, IC 6-1.1-4-21, IC 6-1.1-4-31.5, IC 6-1.1-35-9, IC 6-1.1-35-11, IC 6-1.1-36-12, and IC 36-6-8-5, all as amended by this act:

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(1) apply only to a contract executed after December 31, 2007;
and

(2) do not affect a contract:

(A) executed before January 1, 2008; and

(B) whose term extends beyond December 31, 2007.

SECTION 98. [EFFECTIVE UPON PASSAGE] Notwithstanding IC 6-1.1-17.5-1, as added by this act, the initial appointments to the local government property tax control board in each county shall be made before July 1, 2007.

SECTION 99. [EFFECTIVE JULY 1, 2007] IC 6-1.1-18.5-1, as amended by this act, applies to the determination of the maximum permissible ad valorem property tax levy for property taxes first due and payable after December 31, 2007.

SECTION 100. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-17.5, as added by this act, apply throughout this SECTION.

(b) IC 6-1.1-17.5, as added by this act, and IC 6-1.1-18.5-8, IC 6-1.1-20-3.2, IC 6-1.1-20-5.5, and IC 6-1.1-20-9, all as amended by this act, apply only to property taxes for bonds and leases for which the preliminary determination to issue bonds or enter into a lease under:

(1) IC 6-1.1-20-3.1(2); or

(2) IC 6-1.1-20-5;

is made more than thirty (30) days after the effective date of this SECTION.

SECTION 101. [EFFECTIVE MARCH 1, 2007 (RETROACTIVE)] (a) As used in this SECTION, "assessment date" has the meaning set forth in IC 6-1.1-1-2.

(b) Notwithstanding any other law or administrative rule, for the property tax assessment of agricultural land for assessment dates in 2007 and 2008, the statewide agricultural land base rate value is eight hundred eighty dollars (\$880) per acre. The statewide agricultural land base rate value of eight hundred eighty dollars (\$880) per acre shall be substituted for any other value included in the Real Property Assessment Guidelines or any other guidelines of the department of local government finance that apply for those assessment dates.

(c) This SECTION expires January 1, 2010.

SECTION 102. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1007, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Delete everything after the enacting clause and insert:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1007 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 16, nays 9.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 123, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 99. [EFFECTIVE MARCH 1, 2007 (RETROACTIVE)]

(a) As used in this SECTION, "assessment date" has the meaning set forth in IC 6-1.1-1-2.

(b) Notwithstanding any other law or administrative rule, for the property tax assessment of agricultural land for assessment dates in 2007 and 2008, the statewide agricultural land base rate value is eight hundred eighty dollars (\$880) per acre. The statewide agricultural land base rate value of eight hundred eighty dollars (\$880) per acre shall be substituted for any other value included in the Real Property Assessment Guidelines or any other guidelines of the department of local government finance that apply for those assessment dates.

(c) This SECTION expires January 1, 2010."

Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

BATTLES

HB 1007—LS 6528/DI 44+



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HOUSE MOTION

Mr. Speaker: I move that House Bill 1007 be amended to read as follows:

Page 15, line 25, delete "in the form." and insert ".".

Page 16, line 4, delete "IC 6-3.5-1.1-30(g)." and insert "**IC 6-3.5-6-30(g).**".

Page 35, line 9, delete "assessed" and insert "**average**".

Page 35, line 10, delete "taxable" and insert "**real and personal tangible**".

Page 35, line 10, delete "located" and insert "**owned or rented and used**".

Page 35, line 11, delete "on the last assessment date before the end of" and insert "**in**".

Page 35, line 12, delete "." and insert ", **as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 35, line 13, delete "assessed" and insert "**average**".

Page 35, line 13, after "corporation's" insert "**real and personal tangible**".

Page 35, line 13, after "property" insert "**owned or rented and used**".

Page 35, line 14, delete "on the last assessment date before the end of" and insert "**in**".

Page 35, line 15, delete "." and insert ", **as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 35, line 29, after "county" delete "," and insert "**and**".

Page 35, line 30, delete "30" and insert "**24**".

Page 35, line 39, delete "IC 6-3.5-6-30)," and insert "**IC 6-3.5-1.1-24),**".

Page 35, line 42, after "year" delete "," and insert "**and**".

Page 36, line 1, delete "30" and insert "**24**".

Page 36, delete lines 9 through 11.

Page 38, line 16, delete "option" and insert "**adjusted gross**".

Page 38, line 17, delete "option" and insert "**adjusted gross**".

Page 43, between lines 22 and 23, begin a new paragraph and insert:
 "SECTION 32. IC 6-3.5-1.1-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

(1) definitions;



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- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) remittances;
- (5) incorporation of the provisions of the Internal Revenue Code;
- (6) penalties and interest;
- (7) exclusion of military pay credits for withholding; and
- (8) exemptions and deductions;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted annually along with the employer's annual withholding report.

(d) A corporation shall make estimated payments of the tax imposed under this chapter at the same time as estimated payments are made under IC 6-3-4-4.1. Estimated payments shall be made in the form and in the manner prescribed by the department."

Page 45, line 42, after "(b)" delete "A" and insert **"Subject to subsection (h), a"**.

Page 46, line 9, after "(0.01%)" insert ".".

Page 46, line 15, delete "option" and insert **"adjusted gross"**.

Page 47, line 30, delete "that" and insert **"the"**.

Page 49, line 6, delete "." and insert **"(excluding any amount paid from county economic development income taxes)."**

Page 49, line 9, delete "forty percent (40%)" and insert **"the part"**.

Page 49, line 10, delete "," and insert **"that is available for distribution under subsection (e)(2)."**

Page 49, line 11, after "units" insert **"and school corporations"**.

Page 49, line 11, delete "budgeted for public" and insert **"distributed to the civil taxing unit or school corporation under subsection (e)(1) for deposit"**.

Page 49, delete lines 12 through 13.

Page 49, line 14, delete "local government finance, and deposited".

Page 49, run in lines 11 through 14.

Page 49, between lines 21 and 22, begin a new paragraph and insert:

"(h) A county fiscal body may not adopt an ordinance under subsection (b) unless a tax imposed under this chapter is in effect in the county on the date the ordinance is adopted or is scheduled to take effect under section 2(c) of this chapter on July 1, 2007. Notwithstanding any law, a county may adopt an ordinance under

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section 2 of this chapter after March 31, but before June 1, 2007."

Page 49, line 33, delete "assessed" and insert "**average**".

Page 49, line 34, delete "taxable" and insert "**real and personal tangible**".

Page 49, line 34, delete "located" and insert "**owned or rented and used**".

Page 49, line 35, delete "on the last assessment date before the end of" and insert "**in**".

Page 49, line 36, delete "." and insert ", **as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 49, line 37, delete "assessed" and insert "**average**".

Page 49, line 37, after "corporation's" insert "**real and personal tangible**".

Page 49, line 37, after "property" insert "**owned or rented and used**".

Page 49, line 38, delete "on the last assessment date before the end of" and insert "**in**".

Page 49, line 39, delete "." and insert ", **as determined in the same manner that the property factor is determined under IC 6-3-2-2 (as effective before January 1, 2011).**".

Page 50, line 13, after "county" delete "," and insert "**and**".

Page 50, line 29, after "year" delete "," and insert "**and**".

Page 53, line 16, delete "to decrease" and insert "**that decreases**".

Page 57, between lines 25 and 26, begin a new paragraph and insert:
"SECTION 44. IC 6-3.5-6-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Except as otherwise provided in subsection (b) and the other provisions of this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) deductions or exemptions from adjusted gross income;
- (5) remittances;
- (6) incorporation of the provisions of the Internal Revenue Code;
- (7) penalties and interest; and
- (8) exclusion of military pay credits for withholding;

apply to the imposition, collection, and administration of the tax imposed by this chapter.

(b) The provisions of IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the tax imposed by this chapter.

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(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings attributable to each county. This report shall be submitted along with the employer's other withholding report.

(d) A corporation shall make estimated payments of the tax imposed under this chapter at the same time as estimated payments are made under IC 6-3-4-4.1. Estimated payments shall be made in the form and in the manner prescribed by the department."

Page 60, line 3, after "(b)" delete "A" and insert **"Subject to subsection (h), a"**.

Page 62, line 41, delete "." and insert **"(excluding any amount paid from county economic development income taxes)."**

Page 63, line 2, delete "forty percent (40%)" and insert **"the part"**.

Page 63, line 3, delete "," and insert **"that is available for distribution under subsection (e)(2),"**.

Page 63, line 4, after "units" insert **"and school corporations"**.

Page 63, line 4, delete "budgeted for public" and insert **"distributed to the civil taxing unit or school corporation under subsection (e)(1) for deposit"**.

Page 63, delete lines 5 through 6.

Page 63, line 7, delete "local government finance, and deposited".

Page 63, run in lines 4 through 7.

Page 63, between lines 14 and 15, begin a new paragraph and insert:

"(h) A county fiscal body may not adopt an ordinance under subsection (b) unless a tax imposed under this chapter is in effect in the county on the date the ordinance is adopted or is scheduled to take effect under section 8(c) of this chapter on July 1, 2007. Notwithstanding any law, a county income tax council in a county in which the county adjusted gross income tax is not in effect may adopt an ordinance under section 8 of this chapter after March 31, but before June 1, 2007."

Page 75, line 3, after "12." delete "]".

Page 123, line 29, delete "and IC 6-1.1-18-6.1, both" and insert ",".
Renumber all SECTIONS consecutively.

(Reference is to HB 1007 as printed February 8, 2007.)

KUZMAN

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